AUTONOMY UNDER HEGEMONY IN JAPANESE FOREIGN POLICY: AN IRRESOLVABLE CONTRADICTION?

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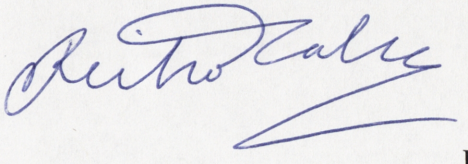
I declare that this thesis is the result of my original work and all sources have been acknowledged.



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ABSTRACT

As debates questioning the influence of the United States hegemony increase internationally, discussion of Japan's emergence as a more independent and "normal power" has also become more prevalent. If the US-Japan alliance is to remain relevant throughout the 21st century, it is crucial to address the nature of Japanese autonomy in this context. This thesis investigates what autonomy means in Japanese foreign policy in the context of its relationship with the United States and the latter's hegemony, and compares the Japanese theory and practice of autonomy with the concept of autonomy in International Relations theory.

Central to this investigation is the use of three contemporary examples which demonstrate autonomy in Japan's post-Second World War foreign policy; Japan's post-1945 oil diplomacy with Iran; its proposal for an Asian Monetary Fund (AMF) in 1997; and its relations with North Korea (Democratic People's Republic of Korea or DPRK), with a particular focus on the two nuclear crises (the first in 1993–94, and the second in 2002). These are examples in which the United States and Japan took different positions on a range of issues and which therefore demonstrate that Japan pursues autonomous foreign policy within the framework of US hegemony. The analysis also explores the restrictions imposed on Japanese foreign policy by US hegemony and how Japan overcomes those restrictions in order to create an autonomous foreign policy while still maintaining its alliance relationship with the United States.

The central argument of this thesis is that autonomy, as conceptualised and practised in post-1945 Japanese foreign policy, is more limited and restricted than conventionally assumed in rationalist International Relations theory, because it is carried out in the context of US hegemony and the US-Japan alliance. As a result, the study interprets autonomy as being defined by specific circumstances which challenge the objective, static and contextually unspecific notions of autonomy in rationalist, anarchy-based International Relations theory. While the main thrust of the enquiry lies in the analysis of Japanese foreign policy, the thesis also scrutinises the somewhat narrow understanding of "autonomy" within International Relations theory and seeks to further refine the concept of autonomy.

CONTENTS

DIAGRAMS, MAPS AND TABLES

ACRONYMS

ACCSF	Asian Currency Crisis Support Facility
ACU	Asian Currency Union
ADB	Asian Development Bank
AGRI	Asian Growth and Recovery Initiative
AMF	Asian Monetary Fund
APEC	Asia-Pacific Economic Co-operation
ASEAN	Association of Southeast Asian Nations
CAP	Common Agricultural Policy
CFA	Co-operative Financial Arrangement
CIA	Central Intelligence Agency
CMI	Chiang Mai Initiative
CTBT	Comprehensive Test Ban Treaty
DD	Direct dealing
DPRK	Democratic People's Republic of Korea
EAC	East Asian Community
EAEC	East Asian Economic Caucus
EEC	European Economic Community
FEC	Far Eastern Commission
GATT	General Agreement on Trade and Tariffs
IAEA	International Atomic Energy Agency
IMF	International Monetary Fund
JBIC	Japan Bank for International Co-operation
KEDO	Korean Energy Development Organisation
LDP	Liberal Democratic Party
LTCM	Long-Term Capital Management
MFG	Manila Framework Group
MITI	Ministry of International Trade and Industry
MOF	Ministry of Finance
MOFA	Ministry of Foreign Affairs
MOSS	Market-oriented sector specific

MSDF	Maritime Self Defence Force
MTCR	Missile Technology Control Regime
NAFTA	North American Free Trade Agreement
NATO	North Atlantic Treaty Organisation
NIE	Newly Industrialised Economies
NIOC	National Iranian Oil Company
NMI	New Miyazawa Initiative
NPR	National Police Reserve
NPT	Non-Proliferation Treaty
NWS	Nuclear Weapons State
OECD	Organisation for Economic Development and Co-operation
ODA	Official Development Assistance
OPEC	Organisation of Petroleum Exporting Countries
PKO	Peacekeeping Operations
ROK	Republic of Korea
SCAP	Supreme Commander of the Allied Powers
SDF	Self Defence Force
SDI	Strategic Defence Initiatives
SDPJ	Socialist Democratic Party of Japan
SII	Structural Impediments Initiative
UN	United Nations
UNCHS	United Nations Commission on Human Security
UNFCCC	United Nations Framework Convention on Climate Change
US	United States
USTR	United States Trade Representative
WMD	Weapons of Mass Destruction

INTRODUCTION

This thesis investigates what autonomy in Japan's foreign policy means in the context of its relationship with the United States and compares the Japanese theory and practice of autonomy with the concept of autonomy in International Relations theory. As debates on the influence of the United States increase internationally on the one hand, discussion of Japan's emergence as a more independent and "normal power" has, on the other, also become more frequent.[1] If the US-Japan alliance, a unique alliance that requires the United States to come to the aid of Japan, but does not necessarily require the same level of reciprocity from Japan under the provisions of the Japanese Constitution Article 9, is indeed still relevant in the 21st century, then it is crucial to address the nature of Japanese autonomy in this context.

The argument of this thesis is that autonomy, as conceptualised and practised in post-1945 Japanese foreign policy, is more limited and restricted than conventionally assumed in International Relations theory because it is carried out within the context of US hegemony and the US-Japan alliance. This argument is a significant and interesting proposal in that it interprets autonomy as being defined by specific circumstances which challenge the objective, static and contextually unspecific notions of autonomy in rationalist, anarchy-based International Relations theory. The main focus of the thesis is this restricted and often overlooked form of autonomy that is practised by Japan in the context of its relationship with the United States. As a necessary step towards understanding this notion of autonomy, the thesis also seeks to clarify the use of the term "autonomy" in International Relations theory. This introduction first briefly defines autonomy and hegemony and outlines the background behind the study. It then discusses the project's central question and main argument, case selection and methodology and, finally, the structure of the thesis.

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[1] See Kurt M. Campbell, "The End of Alliances? Not So Fast", *Washington Quarterly*, vol. 27, no. 2, Spring 2004, pp. 151–63; Michael H. Armacost and Daniel I. Okimoto (eds.), *The Future of America's Alliances in Northeast Asia*, Stanford, Asia-Pacific Research Centre, 2004; Takashi Inoguchi and Paul Bacon, "Japan's Emerging Role as a 'Global Ordinary Power'", *International Relations of the Asia-Pacific*, vol. 6, no. 1, 2006, pp. 1–21; James J. Przystup, "US-Japan Relations: Progress Toward a Mature Partnership", *Institute for National Strategic Studies*, Occasional Paper 2, June 2005.

Definitions and a Background to the Investigation

In International Relations theory, hegemony is defined as a situation when "one state has a preponderance of material resources"[2] and "is powerful enough to maintain the essential rules governing interstate relations, and willing to do so".[3] Under hegemony, hegemons have not only the material preponderance to enforce rules, but also the power to subvert these rules and bend them to their own ends, or to simply set them aside. Autonomy in rationalist International Relations theory is typically defined as the principle and the liberty of a state which enables it to exercise control over its allocation of resources and choice of government[4] and to determine the conditions of its own affairs, as long as it does not negate the rights of other states.[5] On the other hand, Japanese autonomy, as exercised within US hegemony, is defined in this study as a process whereby state interests are negotiated in order to meet domestic and international expectations without challenging US hegemony.[6]

Existing analyses of Japanese foreign policy under the US alliance system often swing between two extremes. The first extreme places emphasis on a widely held perception that Japan has very little autonomy in its foreign and security policy. This is attributed to the persistent dilemma of "entrapment versus abandonment" in Japan's alliance relationship with the United States. The dilemma emerges from the asymmetries of power in the relationship, which developed from the famous "Yoshida Doctrine", in which Japan is seen to have exchanged deference to US interests for assistance in economic recovery, growth and a guarantee of national security in the years immediately following World War.[7] In this alliance of unequal military capabilities, Japan faces the quandary of becoming entrapped within those US political, economic and strategic interests which do not always coincide with Japanese interests,

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2 Robert O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy*, New Jersey, Princeton University Press, 1984, p. 32.

3 Robert O. Keohane and Joseph S. Nye, *Power and Interdependence: World Politics in Transition*, Boston, Little, Brown and Company, 1977, p.44. Hegemony and its definition will be discussed in greater detail in Chapter One.

4 Alexander Wendt, *Social Theory of International Relations*, Cambridge, Cambridge University Press, 1999, pp. 235–36.

5 David Held, *Democracy and the Global Order: From the Modern State to Cosmopolitan Governance*, Stanford, Stanford University Press, 1995, p. 147.

6 Autonomy in International Relations will be discussed in greater detail in Chapter One, and Japanese concepts of autonomy in Chapter Three.

7 Bert Edström, *Japan's Evolving Foreign Policy Doctrine: From Yoshida to Miyazawa*, Basingstoke, Palgrave, 1999, pp. 8–25. Inverted commas are used here because Prime Minister Shigeru Yoshida never spoke of a "doctrine" as such. See Kenneth B. Pyle, *The Japan Question: Power and Purpose in a New Era*, Washington D.C., American Enterprise Institute Press, 1992, p. 25n.

from fear that the United States will abandon its alliance commitment.[8] This dilemma has continued well beyond the immediate post-1945 period and, as a consequence, has led to the perception that Japan's foreign policy is largely deferential to the US position.[9] These assessments of Japan further suggest that it exercises little autonomy internationally.

Yet does this perception adequately describe the most critical aspects of the foreign policies Japan pursues in the context of its relationship with the United States? The real picture is more complex. There are instances in post-1945 history that suggest Japan is pursuing a far more independent line than is often recognised. Japan's policies toward the Middle East, and its relations with Myanmar, both suggest that the reality of autonomy in Japanese foreign policy is not one of complete deference to the United States. Autonomy in post-Second World War Japanese foreign policy is clearly evident in Japan's stance during the Yom Kippur War of 1973 and the following Oil Crises,[10] in its relations with Iran, and also in its continuing aid to Myanmar's military government. All of these policies appear contrary to those of the United States.[11]

Yet examples of Japanese foreign policy that are different from the US position have also generated unsatisfactory explanations, particularly in International Relations theory. These interpretations portray contemporary Japan as a potentially offensive power connecting increased economic power and independence in its foreign policy with Japan's militaristic past and a search for absolute autonomy. They therefore suggest that Japan might again attempt to become a militarily aggressive state[12] and, indeed, realists in particular take this view. John J. Mearsheimer argues that "the international system creates powerful incentives for states to look for opportunities to

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8 Pyle, *The Japan Question*, p. 25n.

9 Kent E. Calder, "Japanese Foreign Economic Policy Formation: Explaining the Reactive State", *World Politics*, vol. 40, no. 4, July 1988, 517–41, p. 518; Yōichi Funabashi, "Japan and the New World Order", *Foreign Affairs*, vol. 70, Issue 5, Winter 1991/1992, pp. 58–74; Akitoshi Miyashita, *Limits to Power: Asymmetric Dependence and Japanese Foreign Aid Policy*, Lanham, Lexington Books, 2003, Roger W. Bowen, "Japan's Foreign Policy", *PS: Political Science and Politics*, vol. 25, no. 1, March 1992, pp. 57–73, pp. 57–58, Dennis Yasutomo, *The New Multilateralism in Japan's Foreign Policy*, London, Macmillan, 1995.

10 Michael Schaller, *Altered States: The United States and Japan since the Occupation*, Oxford, Oxford University Press, 1997, p. 250.

11 Donald M. Seekins, "Japan's Aid Relations with Military Regimes in Burma, 1962–1991: The Kokunaika Process", *Asian Survey*, vol. 32, no. 3, May 1992, pp. 246–62.

12 Sabine Fruehstueck, "Normalization and the Management of Violence in the Japan's Armed Forces", as quoted in Peter Katzenstein and Nobuo Okawara, "Japan, Asian-Pacific Security and the case for Analytical Eclecticism", *International Security*, vol. 26, no. 3, Winter 2001/2002, pp. 153–185, p. 156; Yong Deng, "Japan in APEC: The Problematic Leadership Role", *Asian Survey*, vol. 37, no. 4, April 1997, pp. 353–367, p. 357, "'Aratana Gunbi Zōkyō no Osore' Chūgoku gawa, Nihon no MD ni Kenen", *Asahi Shimbun*, 5 September 2003.

gain power at the expense of rivals, and to take advantage of those situations when the benefits outweigh the costs".[13] While Mearsheimer's argument is in reference to great powers,[14] his offensive realist theory emphasises in general that states will seek to maximise their power to the best of their ability in the context of anarchy.

Other realists argue that it is "not normal" for a state with the international standing and influence of Japan to be restricted by its relationship with the United States. Christopher Layne, for example, argues that increased independent actions from Japan (along with Germany) indicate a challenge to US hegemony in the post-Cold War period. Layne bases his argument on patterns of hegemony in the late 17th and 19th centuries (French and British hegemony respectively), which suggest that "unipolar moments cause geopolitical backlashes that lead to multipolarity".[15] He argues that the anarchical structure of the international system impels states in order to act to maximise security and autonomy in international relations. Furthermore, states with increasing economic power, which can translate to technological and military power, strive to become great powers, "regardless of what the United States does or does not do".[16] Thus, Layne views budding Japanese self-reliance in intelligence gathering, its burgeoning use of nuclear energy utilising European plutonium, the dispatch of the Self-Defence Force in UN peacekeeping operations and diplomatic assertiveness through the United Nations as indications of Japan desiring great power status independent from the United States.[17] Such claims leave little room for a powerful country like Japan to remain within a military alliance with the United States while pursuing different policy lines, without interpreting it as being a challenge to the United States.

Kenneth Waltz takes a similar position to Layne. In 1993 he argued that, in the next 10–20 years, Japan was likely to rise to great power status and described Japan as a mercantilist state that could challenge the United States through economic and technological competition.[18] He was sceptical of Japan's recent moves to define itself as a civilian power, and argued that security burden-sharing, instability in the US-Japan relationship and the rise of China as a new threat in the region would lead Japan to act

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13 John J. Mearsheimer, *The Tragedy of Great Power Politics*, New York, Norton, 2001, p. 21.

14 Mearsheimer, *The Tragedy of Great Power Politics*, pp. 55–56.

15 Christopher Layne, "The Unipolar Illusion: Why New Great Powers Will Rise", *International Security*, vol. 17, no. 4, Spring 1993, pp. 5–51, p. 32.

16 Layne, "The Unipolar Illusion", p. 47.

17 Layne, "The Unipolar Illusion", pp. 38–39.

18 Kenneth Waltz, "Emerging Structure of International Politics", *International Security*, vol. 18, no. 2, Autumn 1993, pp. 44–79, p. 59. This view is also supported by Edward Olsen, "Target Japan as America's Economic Foe", *Orbis*, vol. 36, issue 4, Fall 1992, pp. 491–504, p. 496.

more frequently in its own interests. In his view, "for a country to choose not to become a great power is a structural anomaly"[19] and, therefore, Japan would inevitably head towards great power status. Waltz reiterated this position again in 2000, arguing that "its concerted regional activity, its seeking and gaining prominence in bodies such as the International Monetary Fund (IMF) and the World Bank, and its obvious pride in economic and technological achievements" were all indications that Japan aspired to a larger international role. Waltz also predicted that Japan would ultimately equip itself with nuclear weapons for defensive purposes.[20]

Two flaws in Waltz's argument are similar to those faults in Layne's argument. Firstly, the perception that self-help interests motivate state behaviour assumes that, in the context of anarchy, states have the autonomy to translate material wealth into military power. Secondly, in according to Waltz, nuclear armament cannot occur within Japan's alliance with the United States. As a consequence, any moves towards greater military independence of Japan would be viewed as contrary to both the US-Japan alliance and the dominant US presence in the region. In other words, these realists perceive autonomy as being the "rational" ability of sovereign states to translate economic capabilities into military ones relatively free of external influences, and to pursue self interest on the basis of these means.

Constructivist theorists in particular have criticised this simplistic realist interpretation of Japanese foreign policy. Rather, they argue that Japan's new identity as an antimilitarist state informs its actions. Peter J. Katzenstein argues that the domestic political process of the 1950s, rather than the defeat in the war itself, cultivated antimilitarism, and that this culture influences Japan's foreign policy.[21] He argues that this normative context affects Japanese policymakers and continues to shape Japanese interests today.[22] Thomas U. Berger presents a similar argument in explaining Japan and Germany acting contrary to realist predictions. Instead of becoming great military powers based on their economic great power status, Berger argues that both states have been slow to assume a greater security role because of the domestic cultural-institutional

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19 Waltz, "Emerging Structure of International Politics", p. 66.

20 Kenneth Waltz, "Structural Realism after the Cold War", *International Security*, vol. 25, no. 1, Summer 2000, pp. 5–41, p. 34.

21 Peter J. Katzenstein, *Cultural Norms and National Security: Police and Military in Postwar Japan*, Ithaca, New York, Cornell University Press, 1998, p. 153.

22 Katzenstein, *Cultural Norms and National Security*, p. 154.

context in which their defence policy is made, namely antimilitarism. [23] This constructivist view argues that antimilitarism has been deeply institutionalised in domestic and societal norms since 1945 and, therefore, dramatic changes in Japan's security posture seem unlikely.[24]

However, this particular constructivist explanation is unconvincing. Firstly, it does not adequately explain the expansion of Japan's military role in UN peacekeeping operations and also in other roles of support. Secondly, an explanation of Japanese foreign policy through *antimilitarist* culture suggests reliance on certain "Japanese idiosyncrasies" to explain state behaviour rather than as a result of international circumstances and resulting changes in power relationships. Secondly, the development of an antimilitarist culture within Japan essentially depends on a broader Japanese culture and identity that sees itself as functioning under US hegemony. Without US influence over the implementation of Japan's pacifist constitution and the subsequent US security guarantee, Japan would not have been afforded the luxury of developing a culture that is "very reluctant to use violence".[25] While the argument of this thesis does not reject the constructivist argument that identity and culture drive state interest, it perceives antimilitarist culture as effectively being part of a broader culture determined by US hegemony.

Two points emerge from the preceding analysis. The first is that the primary context of Japanese foreign policy and international relations is US hegemony, meaning anarchy-based theories are poorly equipped to explain Japanese foreign policy within this setting. Following from this, the second observation is that the definition, exercise and value of autonomy to states can differ according to historical, social and political contexts. In other words, Japan exercises autonomy in its own distinctive ways and its autonomous actions do not necessarily correspond to the assumptions of the rational actor dominant in anarchy-based International Relations theory.

Discussion of the varying viewpoints on Japanese foreign policy has one common theme—that Japan's relationship with the United States, institutionalised in the US-Japan security alliance, is the main framework for Japanese foreign policy.

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[23] Thomas U. Berger, "Norms, Identity and National Security in Germany and Japan" in Peter J. Katzenstein, *The Culture of National* Security*: Norms and Identity in World Politics*, New York, Columbia University Press, 1996, pp. 317–356, p. 318.

[24] Thomas Berger, "From Sword to Chrysanthemum," *International Security*, vol. 17, no. 4, Spring, 1993, pp. 119–150; Peter Katzenstein and Nobuo Okawara, "Japan's National Security: Structures, Norms, and Policies," *International* Security, vol. 17, no. 4, Spring, 1993, pp. 84–118.

[25] Katzenstein, *Cultural Norms and National Security*, p. 1.

Consequently, this thesis bases its arguments on the assumption that Japan functions under the hegemony of the United States. There are two reasons for assuming US hegemony. Firstly, on the level of international relations in general, there is a large consensus that US involvement in reconstructing Europe and Japan and establishing global institutions after the Second World War made it a period of US hegemony.[26] Secondly, the US occupation of Japan at the end of the war had a profound and lasting impact on the political, economic and social reconstruction of Japan, which continues to colour aspects of the relationship today, and thus the majority of its foreign policies need to take US interests into consideration.[27] US interests, the US-Japan alliance and US hegemony are crucial aspects of Japan's reality that cannot be ignored, and serve as its starting point in formulating foreign policy. As a result, the analysis of Japanese autonomy in this study will be made within this broader context of hegemony.

The extremes in the analyses on Japan's foreign policy suggest that conventional theories in International Relations are poorly equipped to provide an explanation of Japanese autonomy within the US hegemonic system. Yoshihide Soeya raises this point in his argument that post-Second World War Japan cannot be viewed effectively by exclusively focusing on either realism or constructivism.[28] The primary reason for this is that there are no nuanced conceptions of autonomy, and there is little discussion in International Relations theory that deals with it directly as an issue. As Chapter One of this thesis will demonstrate, the meaning of autonomy as used in International Relations and Japanese foreign policy literature must be derived from the concept of sovereignty because it is rarely analysed in its own right. This is despite the fact that in the practice of international politics, it is often the case that a state has sovereignty (that is authority over territory and diplomatic recognition), but a restricted capability to implement independent policies. This applies to all states in international relations, but the restriction is further exacerbated in the case of Japan because of its dependence for security on the United States. Therefore, although they are closely related, sovereignty

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[26] For some examples, see Lea Brilmayer, *American Hegemony: Political Morality in a One-Superpower World*, New Haven, Yale University Press, 1994; David Calleo, *Beyond American Hegemony: The Future of the Western Alliance*, New York, Basic Books, 1987; Raymond Aron, *Peace and War: A Theory of* International *Relations*, translated by R. Howard and A. Baker Fox. London, Weidenfeld and Nicholson, 1966; G. John Ikenberry and Charles A Kupchan in David P. Rapkin (ed.), *World Leadership and Hegemony*, Boulder, Lynne Rienner, 1990; Keohane, *After Hegemony*.

[27] See John Swenson-Wright, *Unequal Allies? United States Security and Alliance Policy toward Japan, 1945–1960*, Stanford, Stanford University Press, 2005; Schaller, *Altered States*. This aspect will be discussed in greater detail in Chapter Two.

[28] Yoshihide Soeya, "Japan: Normative Constraints versus Structural Imperatives" in Muthiah Alagappa (ed.), *Asian Security Practices: Material and Ideational Influences*, Stanford, Stanford University Press, 1998, pp. 198–233.

and autonomy are different concepts, and autonomy does not always follow from the possession of formal sovereignty.

There is also significant evidence to suggest that the autonomy of a "rational, independent actor" does not fit with the autonomy being pursued in Japanese foreign policy since the Second World War. As Chapter Two will reveal, post-Second World War Japan has become deeply integrated into the US hegemonic system. As a consequence, policy decisions take its relationship with the United States as a basic starting point, making Japan constantly mindful of the United States. Because of this, Japan has less freedom as a "rational, independent actor" than theories would assume. However, this does not necessarily make Japan an "irrational" actor, but rather suggests that states can rarely act on such "rationality" in the actual practice of international relations.[29] Again, the discussion of autonomy and sovereignty in Chapter One will demonstrate that rationalist theories view the ability to undertake independent action as an intrinsic characteristic of the sovereign state, but that the manifestation of autonomy in Japanese foreign policy is somewhat contrary to these rationalist descriptions of autonomy. This suggests that the definition, exercise and value of autonomy can differ according to historical, social and political contexts, and that Japan exercises autonomy in its own distinctive ways.

In other words, autonomy for Japan is a distinct foreign policy position that is not completely deferential to the United States, but remains conscious of the limits to its freedom of action. Consequently, Japan's foreign policy maintains the US-Japan alliance as its foundation, and remains within the hegemony of the United States. However, there is very little scholarly focus on Japanese autonomy. Although Japan is often portrayed as deferring to the United States, there are patterns in Japanese foreign policy that suggest Japan does, to a certain extent, pursue an autonomous foreign policy. It is important therefore to investigate what autonomy means in the Japanese context, and to provide balance in the scholarly portrayal of Japanese foreign policy in the existing literature.

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[29] In this thesis, "rationality" indicates the rationalism associated with rational choice theories, which explains the behaviour of individual actors as being driven by the maximisation of their utility and benefits. It should not be confused with Grotian concepts of rationalism, which perceive rationality as justice that is separated from self interest or expediency. See Robert Keohane, "International Institutions: Two Approaches", *International Studies Quarterly*, vol. 32, December 1988, pp. 379–96.

Central Questions

These observations provide the starting point of this thesis, and generate three central research questions:

- What does autonomy mean in Japanese foreign policy?
- How is autonomy pursued in Japanese foreign policy?
- Does Japan pursue autonomy in order to gain independence from the United States?

The overriding theme of these questions necessitates studying Japanese foreign policy and Japan's relationship with the United States to answer what autonomy means in the Japanese context.

Main Argument

The main argument of this thesis is that autonomy, as conceptualised and practised in post-1945 Japanese foreign policy, is more limited and restricted than conventionally assumed in International Relations theory. This is because autonomy in Japan's case is pursued in the context of US hegemony. Since Japanese autonomy is practised within US hegemony and is therefore narrower than conventionally assumed, autonomous Japanese foreign policy does not represent self-help behaviour at the expense of the United States as expected under anarchy. Rather, Japanese autonomy is often pursued through the modification of its initiatives within the restrictions imposed by US interests.

While the main thrust of the enquiry lies in the analysis of Japanese foreign policy, this thesis also scrutinises the somewhat narrow understanding of "autonomy" within International Relations theory and seeks to the further refine the concept of autonomy in the theoretical literature. Thus it also argues that autonomy is determined by socio-historical specific circumstances, and challenges the objective, static and context unspecific notions of autonomy in rationalist International Relations theory.

Theoretical Framework of the Study

The thrust of the discussion so far has been that realist theory, in particular, is ill-suited to explaining how autonomy is practised in Japanese foreign policy. Given that a major concern of this thesis is to discuss Japanese autonomy with a greater emphasis on the specific historical and social context in which it is pursued, more sociological explanations of state behaviour and international relations are required. To do this, the

argument in this thesis draws upon two core positions in constructivist theory to explain Japanese autonomy under US hegemony.

Firstly, constructivist theory questions self-help as being an inherent feature of anarchy. It instead argues that actors respond to situations on the basis of the meaning it holds for them; that "[t]he distribution of power may always affect states' calculations, but how it does so depends on the intersubjective understandings and expectations, on the 'distribution of knowledge,' that constitute their conceptions of self and other".[30] As a consequence, anarchy does not necessarily have to create an outcome of competitive, aggressive self-help behaviour amongst states. This thesis uses this constructivist argument to support the contention that Japanese autonomous behaviour does not follow self-help motivated initiatives which seek to undermine its security relationship with the United States and US hegemony more generally. This is because Japan's alliance with the United States and US hegemony serve as the fundamental framework of its foreign policy rather than anarchic self-help. US hegemony is thus the foundation on which Japan's policies are created; hence, policies that are seemingly independent of the US line are often still complementary to US interests or are broadly conducted within US hegemony.

Secondly, in maintaining that self-help is not an inherent characteristic of anarchy, constructivism argues that it is a socially and historically constructed interpretation based on socially specific interests. Wendt argues that socially constructed notions develop as states acquire role-specific understandings of themselves and others; this then becomes state identity, which in turn affects state actions.[31] In other words, he reasons that "identities are the basis of interests".[32] The thesis follows this line of argument to both demonstrate that Japan's post-1945 identity as a subordinate state under US hegemony is the main factor that determines the form of autonomy it pursues, and also to examine how this is achieved. The argument is that, as a consequence of Japan identifying itself as a subordinate state within this system, autonomy for Japan is essentially narrower and more restricted than conventionally assumed in International Relations theories because it remains bounded by US hegemony despite Japan's significant economic capabilities. Identities are socially constructed and influence state behaviour; therefore autonomy too is a context-specific and socially-constructed

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30 Alexander Wendt, "Anarchy is what States make of it: The Social Construction of Power Politics", *International Organization*, vol. 46, no. 2, Spring 1992, pp. 391–425, p. 396.

31 Wendt, "Anarchy is what States make of it", p. 398.

32 Wendt, "Anarchy is what States make of it", p. 398.

concept. Consequently, post-1945 Japanese autonomy is uniquely defined by its situation of being firmly integrated into US hegemony.

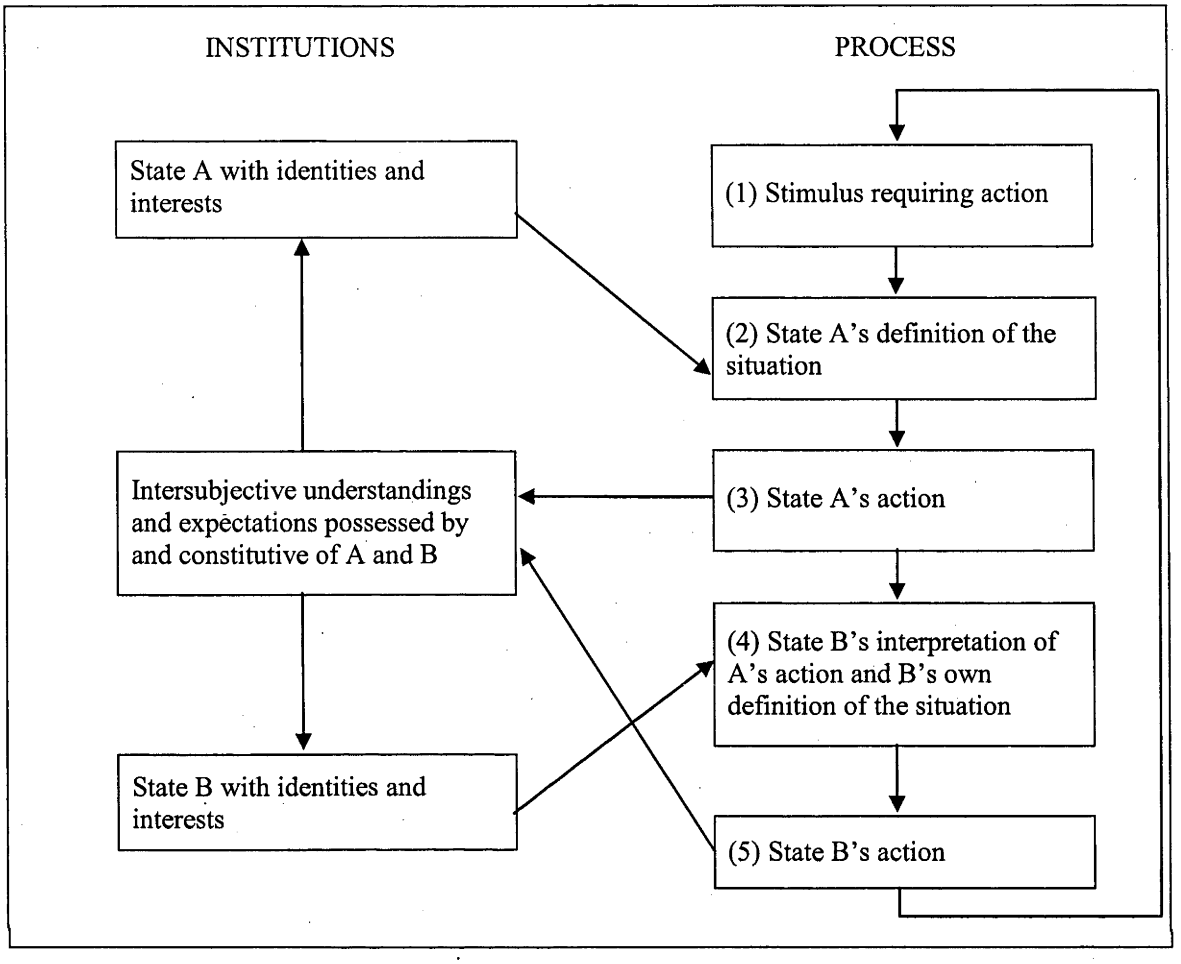

Diagram 1.1 The co-determination of institutions and process, from Alexander Wendt, "Anarchy is what States make of it: The Social Construction of Power Politics", *International Organization*, vol. 46, no. 2. Spring 1992, pp. 391–425, p. 406.

In other words, in the case of Japan and US hegemony, Wendt would argue that the two states share an institution, the US-Japan security alliance, in recognition of the wider institution of US hegemony. This institution then in turn influences the identities of both states and, as a consequence, their identities influence their actions toward each other.

However, there are some shortcomings in this application of Wendt's theory to the US-Japan alliance. By asserting that actors have shared norms and institutions, it assumes that this shared institution is interpreted and practiced in the same way across states. The argument to follow is that, while constitutive institutions can be appreciated by two states, their *understandings and application* of it can vary if they are asymmetrical powers. As a consequence, the institution can affect states and also be implemented in differing ways. This thesis asserts that the US-Japan security alliance and the wider institution of hegemony are interpreted differently by the United States

and Japan. These differences in interpretation emerge due to the fact that both states have an asymmetric power relationship in which Japan is fundamentally more dependent on the United States for its national security. For example, for the United States, the world's most powerful military actor, the alliance is one of a network of alliances it has internationally. However, for Japan, it is the single most important institution designed to guarantee its national security. Thus, the asymmetric power relationship between Japan and the United States causes differences in the significance, understanding and anticipation of the alliance. This aspect is not recognised in constructivist theories and, as a result, it assumes that intersubjective understandings and expectations remain the same across all constituent states.

This shortcoming can be redressed by incorporating David C. Kang's theory of hierarchy. While Kang's theory is essentially realist, it fundamentally differs from conventional realist theory in that it specifically explains how states behave when there is a recognised inequality—particularly in the case of a central power and subordinate states.[33] Therefore, rather than assuming equality between states, by incorporating Kang's notion of inequality into the constructivist notions of identity and socially constructed concepts, this thesis argues that different interpretations and expectations of a single constitutive institution can exist. More specifically, the argument is that the United States and Japan have different interpretations of hegemony. Japan accepts its position as subordinate under the United States and, while it can and does adopt autonomous policies, it does not stray too far outside the interests of the United States because of the importance of the alliance for Japan. On the other hand, despite Japan's long history as an ally and identity as a subordinate state under US hegemony, the United States has a more realist outlook on its hegemony. This makes the United States constantly wary of maintaining its position as hegemon, and, consequently, it is cautious of Japan's autonomous policies.

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[33] David C. Kang, "Hierarchy and Stability in Asian International Relations" in G. John Ikenberry and Michael Mastanduno (eds.), *International Relations Theory and the Asia-Pacific*, New York, Columbia University Press, 2003, pp. 163–89.

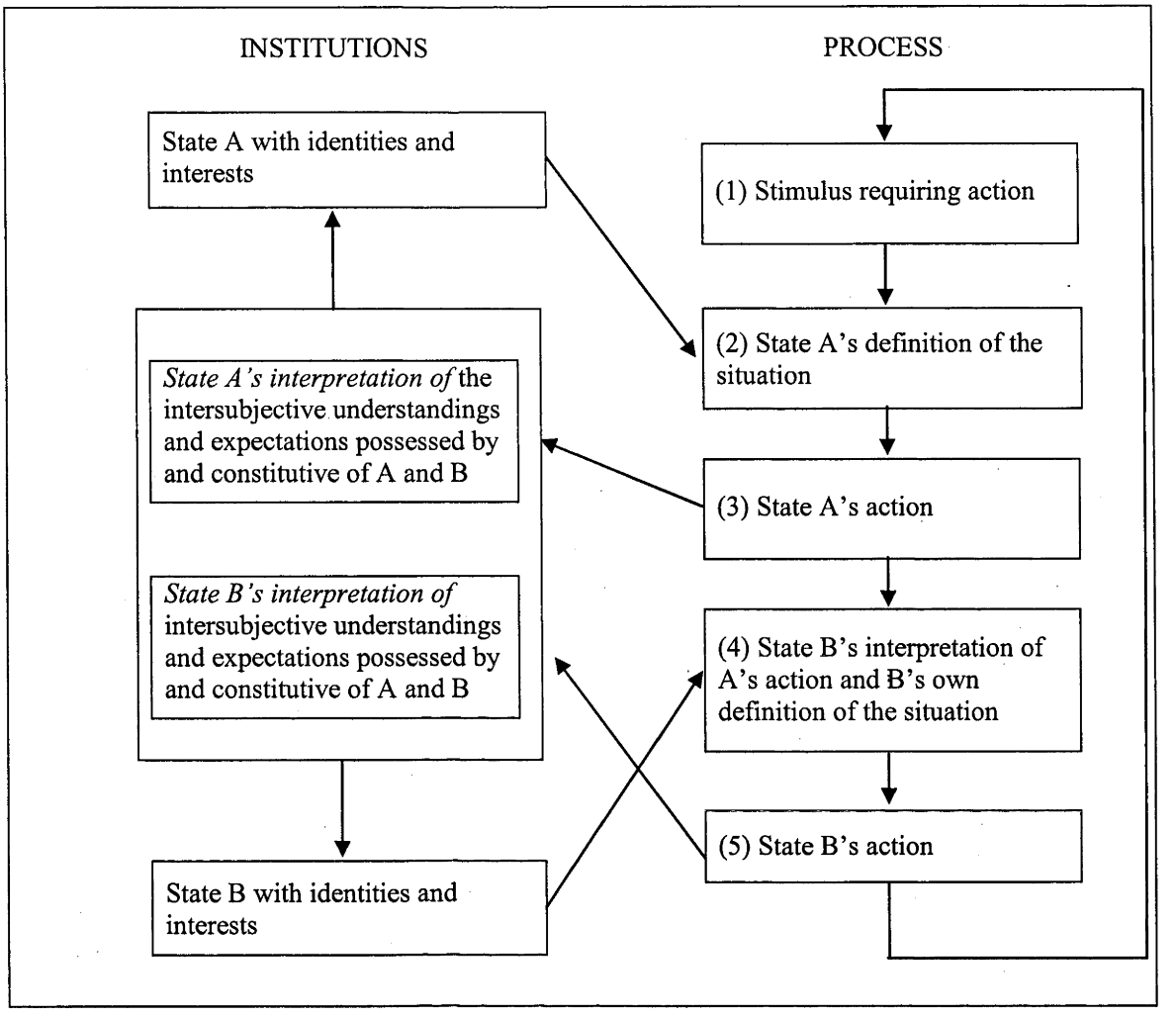

Diagram 1.2 A modification of the co-determination of institutions and process representing the theoretical argument of this study.

Contribution

This study contributes to the literature on Japanese foreign policy and International Relations in several ways. Firstly, it offers a more nuanced and theoretically informed explanation of Japan's foreign policy choices within the structure of the US hegemonic system. Secondly, it contributes to a much-needed discussion on autonomy in International Relations theory. Autonomy is still perceived as an important value for states in international relations,[34] despite the fact that theorists such as Stephen D. Krasner argue "breaches of the Westphalian model have been an enduring characteristic of the international environment".[35] Despite its importance, autonomy is often not the central focus of scholarly analysis. Furthermore, autonomy is not automatically predicated on sovereignty, which is demonstrated in the practice of international

[34] Daniel Philpott strongly endorses my assertion here in "Usurping the Sovereignty of Sovereignty?", *World Politics*, vol. 53, no. 2, January 2001, pp. 297–324.

[35] Stephen D. Krasner, "Compromising Westphalia", *International Security*, vol. 20, no. 3, Winter 1995–1996, p. 115.

relations, and yet significant freedom and capacity to convert material capabilities to action is implicitly assumed in rationalist theories. With regard to the analysis of Japanese foreign policy in particular, this thesis illuminates the dynamics between Japanese conceptualisations of autonomy as practised by the Japanese government and the expectations of autonomy in the international system which come with modern statehood. It argues that autonomous Japanese behaviour is *not* a rigid pursuit of rationally defined autonomy, but rather a process informed by the specific context of Japan's alliance with the United States in the broader context of US hegemony. This approach to conceptualising autonomy provides an effective analytical framework that is able to account for greater variations in forms of autonomy and subsequently take into account independent Japanese initiatives that do not necessarily violate the US hegemonic framework.

With regard to International Relations theory, the thesis makes a contribution to the discipline by providing greater insight into the specific nature of Japanese autonomy, and by departing from Euro-centric interpretations in the tradition of political philosophy which do not accurately reflect the reality of international political life. It does this by firstly challenging the assumption that autonomy is a characteristic of sovereignty, and secondly by presenting a context-specific explanation of autonomy. Non-rationalist theorists argue that autonomy is often given token recognition and then forgotten in the discussion, because rationalists seek to solve problems and do not question foundational elements of their theories.[36] As a result, concepts such as autonomy are assumed to be a part of sovereignty, and merged into notions such as state independence. In reality, Westphalian sovereignty—the legal recognition and formal independence of the state—is distinct from the ability to undertake independent and autonomous actions in international relations. This is addressed in the thesis, which also argues that autonomy is context-specific. Wendt has argued that independent policies in the international realm are difficult to implement because of the specific political, economic and social power dynamics that a state faces in its relations with other states.[37] Yet this context is hardly addressed by rationalist theories. As a result, a gap emerges between the representation of independence of the state in an anarchic international

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[36] See Robert W. Cox with Timothy J. Sinclair, *Approaches to World Order*, Cambridge, Cambridge University Press, 1996; R.B.J. Walker, "From International Relations to World Politics" in J. Camilleri, A. Jarvis and A. Paolini (eds.), *The State in Transition: Reimagining Political Space,* Boulder, Lynne Rienner Publishers, 1995, pp. 21–38; Cynthia Weber, *Simulating Sovereignty*, Cambridge, Cambridge University Press, 1995.

[37] Wendt, *Social Theory of International Relations*, pp. 235–36.

system and actual autonomy itself. It is this gap that has created a blurring between sovereignty and autonomy.

Methodology

Three Examples of Restricted Japanese Autonomy

Central to this investigation of Japanese autonomy is the use of three contemporary examples which demonstrate autonomy in Japan's post-Second World War foreign policy. The three examples selected to answer the research questions are Japan's post-1945 oil diplomacy with Iran; its proposal for an Asian Monetary Fund (AMF) in 1997; and its relations with North Korea (Democratic People's Republic of Korea or DPRK), with a particular focus on the two nuclear crises (the first in 1993–94, and the second in 2002).

The examples have been selected for two reasons. Firstly, all three are examples in which the United States and Japan take different positions on a range of significant issue areas—resource diplomacy, financial and monetary influence in Asia, and a regional security issue. They are important issue areas over which the US could have been reasonably expected to want Japan to follow its lead and are therefore significant examples. While divergent from those of the US, Japan's policies do not ultimately undermine US hegemony, and thereby demonstrate that Japan pursues autonomy within the limits imposed by US hegemony. Secondly, they are intended to illustrate the restrictions imposed on Japanese foreign policy by US hegemony and how Japan was able to overcome them to create an autonomous foreign policy while still maintaining its alliance relationship with the United States. In this way, the three examples pose a challenge to the existing explanations of sovereignty in International Relations and analyses of Japanese foreign in relation to this.

These examples may invite the criticism that a generalisation of Japanese autonomy based on the three cannot be made on the grounds that they are unrepresentative of Japanese foreign policy. However, examples can be categorised into several types, and this study of Japanese foreign policy fits into a deviant case study category. Tom Mackie and David Marsh identify five types of case studies: (i) interpretive case studies which utilise an existing theory to illuminate the case; (ii) hypothesis-generating case studies; (iii) case studies which are designed to interrogate

or test a theory ('theory-infirming' case studies); (iv) theory-confirming case studies; and (v) deviant case studies.[38]

The three cases chosen provide good examples of being exceptions to the dominant perceptions across both International Relations theory and Japanese foreign policy analysis. These "deviant" cases cannot and should not be ignored for the sake of the smooth functioning of existing theories. Whilst the three examples may not be characteristic of Japan's foreign policy style *on average* over the during the post-Second World War period, or typical actions of state autonomy, they are nonetheless significant examples that should not be ignored for the sake of analytical coherence of "typical" foreign policy behaviour. Furthermore, a limited selection of "deviant" cases allows in-depth analysis and the implications for the concept of autonomy. As the discussion framing the central questions of the thesis demonstrates, Japan's autonomy is exercised on an understated level, which has been neglected in broader analyses of Japanese diplomatic history. The particular examples chosen show that contrary to more common perceptions, Japan has in important cases, exercised a more subtle and restricted autonomy in its foreign policy. They illuminate both the process in which this autonomy has developed and its political and social context.

Japan's relations with so-called "rogue states" other than Iran, such as Burma, or its autonomous initiatives on international small-arms reduction are two alternative examples of autonomous Japanese foreign policy initiatives. However, in terms of their significance vis-à-vis the United States, the region or internationally, these examples face considerably less objection from the United States. They are thus less important instances of Japanese autonomy and for that reason were not included in this study. The examples also represent an emerging alternative style of Japanese diplomacy, and the fact that there is more than one of them suggests that it may increasingly be the shape of future Japanese foreign policy.

Chapter One of this thesis deals with concepts of autonomy in International Relations, and demonstrates that the autonomous actions of states cannot always be defined by "objective" criteria which motivate the state in the "reality" of the anarchic international environment. This is because the subjective contexts in which states function influence the circumstances in which states operate and define autonomy. The

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[38] Tom Mackie and David Marsh, "Methodological Questions: The Comparative Method" in David Marsh and Gerry Stoker (eds.) *Theory and Methods in Political Science*, New York, St. Martin's Press, 1997, p. 177.

chosen examples demonstrate this point, as they illuminate the highly particularistic instances in which Japan exercises autonomy within the limits of the US-Japan alliance. In addition, the examples do not fit the explanations of Japan being a reactive state and having little autonomy, or indeed other alternative explanations which argue that Japan seeks to maximise its gains at the expense of the United States. As the discussion establishing the central questions of the thesis demonstrates, Japan's autonomy is exercised on a more understated level that can go undetected in a broader analysis of Japanese diplomatic history. Therefore, a selection of particular examples in the post-1945 period will better illuminate instances of a more subtle and restricted autonomy that Japan exercises in its foreign policy, the process in which it is developed, and its political and social context.

The examples have also been chosen from relatively recent events to take into account Japan's increased status, wealth, and greater potential as an international power, which in theory should give it more leverage and freedom in creating an autonomous foreign policy. It goes without saying that US-Japan relations did not begin in 1945, and various tensions associated with the exercise of, and resistance to, external influence have been evident throughout the history of the bilateral relationship. Arguably, the arrival of Commodore Matthew Perry on the Black Ships in 1853 (which marked the end of Japan's isolationist policy and the beginning of its modernisation), can be interpreted as the start of a unique power relationship between Japan and the United States.[39] However, the focus here is on events after 1945, as the post-Second World War period is the crucial stage in which the current and distinctly hegemonic role of the United States shaped the US-Japan relationship. Each example demonstrates Japanese policies that take an independent position from US policy, and yet at no stage do they signify a major rejection of US hegemony. They also show the limitations resulting from readjustments of the initiatives based on the expressed opinions and interests of the United States. This balance between independence and subordination reflects the more restricted form of autonomy that is the focus of this thesis.

The first example examines Japan's oil diplomacy with Iran. While Iran maintains a good relationship with Japan, it has a long history of conflict with the United States. This example has been chosen because it provides an historical account of Japanese autonomous behaviour with its beginnings situated in a Cold War structure. During the

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[39] In 1853, U.S. Navy Commodore Matthew Perry arrived in Uraga Bay and pressed for the opening of several Japanese ports and diplomatic relations with Japan. See Walter LaFeber, *The Clash: US-Japanese Relations Throughout History*, W. W. Norton and Company, New York, 1997, pp. 13–17.

Cold War, Japan arguably had greater interest in adhering to US initiatives, partly because of its own weakness and its reliance on the US security guarantee to counter the Soviet threat. In more recent times, Japan has also come under pressure from the United States not to sign oil contracts with Iran. This is because Iran, seen by the United States as supporting terrorist activities, is considered a member of the "Axis of Evil". Iran is now also the subject of international condemnation for its ambition to develop nuclear weapons.[40] The example of Iran-Japanese relations highlights Japan's dilemma over the political complications it faces in its relations with the United States, but also its need for energy security. Thus, it is a good example by which to gauge the specific issues over which Japan makes compromises and how it formulates autonomous foreign policies, particularly with regard to contentious regions such as the Middle East.

The Asian Monetary Fund example examines a policy initiative where Japan modified a proposal originally independent of the United States following American criticism. The AMF proposal was a Japanese initiative designed in 1997 as a response to the Asian Financial Crisis. Japan's suggestion of establishing an alternative monetary fund implied that the IMF might not provide solutions best suited to the region.[41] The United States interpreted this motion as undermining the authority of the United States and the IMF, and therefore strongly opposed the proposal.[42] While the AMF never eventuated, the alternative regional monetary arrangements made in the wake of the proposal were modified to balance US criticism and to include the United States. In other words, while the original AMF model was altered because of US pressure, Japan nonetheless established a similar monetary system in the region, based on financial support at bilateral levels, and was able to fulfil the original purpose of the proposal to establish a regional monetary network.[43] This case therefore suggests that, while an initiative that was out-right independent of the United States was deemed unacceptable, restricted Japanese autonomy was maintained by altering the proposal with similar functions to the AMF.

The final example of differences in US and Japanese foreign policy concerns Japan's relations with North Korea. Throughout the post-1945 period, Japan's position

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40 "Japan: Resentment over US pressure on Iran oil plan", *Australian Broadcasting Corporation: Asia Pacific*, http://www.abc.net.au/ra/asiapac/programs/s949858.htm, accessed 24 September 2003.

41 Jirō Saitō and Takeshi Hamashita, *Ajia Daikonran*, Tokyo, NTT Shuppan, 1998, p. 402.

42 Amy E. Searight, "International Organizations" in Steven K. Vogel (ed.), *US-Japan Relations in a Changing World*, Washington D.C., Brookings Institution Press, 2002, pp. 160–97, p. 180.

43 Jennifer Amyx, "Moving Beyond Bilateralism? Japan and the Asian Monetary Fund", *Pacific Economic Papers*, no. 331, September 2002, Canberra, Australia-Japan Research Centre, p. 10.

on North Korea has been generally in support of US policy; however, there are significant historical and domestic reasons for their differences over engagement with North Korea, and perspectives on long-term goals on the Korean Peninsula. In particular, differences between the two allies have been pronounced since the inauguration of George W. Bush as President. Prior to the formation of the Bush administration and the 11 September 2001 terrorist attacks, Japan supported South Korea's "Sunshine Policy",[44] which was renamed "peace and prosperity policy" under President Roh Moo-Hyun.[45] This policy rested on the idea that North Korea's threatening posture was due to its insecurities about being internationally isolated. Therefore, the "Sunshine Policy" argued that engagement with the DPRK was essential in order to avoid nuclear proliferation on the peninsula. On the other hand, since George W. Bush took office in January 2001, the US administration has perceived engagement with North Korea as either being strictly in exchange for the abandonment of its hostile position or as a process to expose the malevolent intentions of the DPRK and take punitive action.[46] The lukewarm response from Washington to Japanese Prime Minister Koizumi's visit to Pyongyang in September 2002 appears to reflect differences in US and Japanese policies.[47] However, the argument of this thesis is that Japan's position of engagement is an autonomous line that takes account of the US position and is ultimately compatible with the hard-line stance of Washington. Therefore, this example also supports the idea of the pursuit of an autonomous foreign policy within the restrictions imposed by the hegemony of the United States.

Levels of Analysis

The discussion so far has briefly examined some existing analyses of Japanese foreign policy and, in doing so, has spoken of "Japan" as its central subject. However, is it appropriate or even feasible to discuss the Japanese state as a unitary actor? Structuralist theories, and in particular realism, are often criticised for treating the state like a "black box" that pursues a unified "national interest", and for totally ignoring how domestic

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44 Norman D. Levin and Yong-Sup Han, *Sunshine in Korea: The South Korean Debate over Policies Toward North Korea*, Santa Monica, RAND, 2002, pp. 23–31.

45 See Kang In-Duk, "Toward Peace and Prosperity: The New Government's North Korea Policy", *East Asian Review*, vol. 15, no. 1, Spring 2003, pp. 3–18.

46 Victor D. Cha, "Korea's Place in the Axis", *Foreign Affairs*, vol. 81. no. 3, May/June 2002, pp. 79–92, p. 82.

47 "Koizumi's Dangerous Gambit", *Far Eastern* Economic *Review,* vol. 165, Issue 36, 12 September 2002, p. 8; David Pilling, "Japan engagement pledge may worry US: Koizumi vows to revive stalled talks with N Korea", *Financial Times (London)*, 16 December 2002; James Dao, "Korean Issue Shapes Powell's Asia Agenda", *The New York Times*, 21 February 2003, p. 17.

interests affect decisions at the international level. Those who are critical of the state as a unitary actor often explain Japan's international behaviour through the lens of domestic ministries and party factions,[48] or argue that a predictable domestic political environment gives the bureaucracy its efficiency, legitimacy and the power to influence foreign policy.[49] It is true that domestic politics, as an explanation of international behaviour, incorporates the distinctive domestic contexts of policies often overlooked in realist theory. However, these domestic-focused theories also often treat the government, party politics or various ministerial interests like a "black box" for processing domestic interests and fall short of being a comprehensive explanation for those situations where there are strong international pressures or dramatic changes in the international environment.

One theory that seeks to reconcile the domestic and structural analyses is Robert D. Putnam's two-level games approach. In this bargaining model, Putnam argues that domestic and international influence flow both ways in international policy negotiations.[50] Leonard J. Schoppa draws on Putnam's model and expands it by arguing that Putnam's model is not comprehensive in its examination of the Level I (international negotiations) and Level II (domestic negotiations) interactions, and consequently does not explain how, in the particular case of the US-Japan negotiations for the Structural Impediments Initiative (SII), foreign pressure (*gaiatsu*) from the United States was successful only in some areas and not in others.[51] Schoppa presents a more refined model which takes into account efforts to reshape both US and Japanese domestic politics to their respective advantages through strategies such as the internationalisation of domestic issues or by drawing media attention to certain issues. He argues that the internationalisation of domestic issues emphasises the importance of maintaining smooth relations between the United States and Japan on the one hand, while media attention can be used to deliver *gaiatsu* issues to the wider public and, in some cases, mobilise sentiments sympathetic to *gaiatsu*.[52]

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48 T.J. Pempel, "Japanese Foreign Economic Policy: The Domestic Bases for International Behaviour", *International Organization*, vol. 31, no. 4, Autumn 1977, pp. 723–74, Nester, *The Foundation of Japanese Power*.

49 Chalmers Johnson, *MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925–1975*, Stanford: Stanford University Press, 1982.

50 Robert D. Putnam, "Diplomacy and domestic politics: the logic of two-level games," *International Organization*, vol. 42, no. 3, Summer 1988, pp. 427–60.

51 Leonard J. Schoppa, "Two-Level Games and Bargaining Outcomes: Why Gaiatsu Succeeds in Japan in Some Cases but not Others," *International Organization*, vol. 47, no. 3, Summer, 1993, pp. 353–86.

52 Schoppa, "Two-Level Games and Bargaining Outcomes", p. 384.

This study of Japanese foreign policy does not suggest that domestic influences are unimportant: it recognises that these elements have significant influence on the outcome of negotiations and policies. Consequently, domestic pressures and interests are mentioned in the analyses where they are significant. However, while there may be conflicting interests between ministries and factions within the Japanese government, or particular politicians and bureaucrats behind certain policies, ultimately a consensus is generated between the parties involved to form a policy that represents a position of the Japanese government. Whoever influences and decides policies, once a policy position is reached, it is ultimately the *state* which implements it. Furthermore, the primary focus of this study is state autonomy in the external relations between Japan and the United States. Therefore, in order to maintain this focus, when referring to "Japan", the discussion does not necessarily assume a unitary actor, but views "Japan" as the representation of the final outcome of two-level dynamics such as argued by Schoppa, and that the domestic and national interests are both incorporated in policies that Japan makes on the international level.

Structure of the Thesis

As well as this introduction and a conclusion, the thesis contains six core chapters. Chapter One explores the broader theoretical issues of hegemony and autonomy in International Relations in order to define the use of the two concepts in the discipline, and locate the deficiencies in the theoretical literature when explaining Japanese foreign policy. Chapter Two then tracks the establishment of US hegemony in the latter half of the 20th century in order to decipher the precise characteristics of US hegemony and the impact and constraints it had on emerging Japanese foreign policy. Chapter Three discusses how state autonomy is perceived in Japanese political philosophy by both the Japanese Ministry of Foreign Affairs and in the academic field of Japanese foreign policy analysis. The final three chapters of this thesis present three examples of autonomy in Japanese foreign policy, in addition to analysing what autonomy means in these contexts and how it is pursued. Chapter Four deals with Japan's relations with Iran; Chapter Five investigates the AMF proposal; and Chapter Six considers Japan's relations with North Korea. The conclusion summarises the findings, reiterates the main arguments, and comments on the implications for both Japanese foreign policy analysis and International Relations theory.

CHAPTER ONE

CONCEPTS OF HEGEMONY AND AUTONOMY

To begin the investigation of limited and restricted autonomy in Japanese foreign policy, this chapter analyses the concept of hegemony and autonomy in International Relations theory. It firstly surveys the literature to elicit the varying accounts of hegemony, its characteristics and consequences, and then establishes a definition of hegemony. It secondly discusses theories of state sovereignty in order to demonstrate how autonomy is often overlooked as a central theme for discussion and then draws a definition of autonomy in International Relations from the discussion of sovereignty. It is important to grasp a clear notion of the theoretical context in which these two concepts are situated and define them at this stage, as their definition supports the task of illuminating the character of US hegemony, which forms the historical and social background to the larger question of how Japanese autonomy is defined and pursued in its foreign policy.

This study defines hegemony fairly conventionally as a situation when a hegemon is powerful enough and willing to maintain the essential rules governing the interstate relations of subordinate states, and also has the compliance of these states in supporting this position. However, this chapter demonstrates and defines differences in the perception of hegemony between Japan and the United States, and how this also influences their perceptions of autonomy. Whilst having the support of the majority of states in the international system as the hegemon, the United States perceives an anarchic international system, and therefore remains vigilant and cautious of the behaviour and actions of other states. Japan, on the other hand, firstly views itself as being clearly subordinate to the United States and, secondly, sees challenging the United States as being counterproductive. These two perceptions of US hegemony lead to two very different anticipations of autonomy, with the United States perceiving a narrower margin of autonomy than Japan.

The definition of autonomy, on the other hand, is more complex, and thus the discussion of the concept in this chapter is restricted to how sovereignty and autonomy are conceptualised in International Relations theory. Rationalist and non-rationalist analyses of sovereignty are examined and, as mentioned briefly in the Introduction, autonomy is defined as the liberty of a state, which enables it to exercise control over its

allocation of resources and choice of government.[1] However, these theories reveal the many rationalist biases hidden in this conception. Non-rationalist theories help to dismantle these biases, but a more detailed discussion of Japanese conceptions of autonomy and its definition is contained in Chapter Three.

This chapter is divided into two parts, dealing first with hegemony and then with autonomy. The first section on hegemony surveys realist, liberal and Gramscian theories of hegemony. It then discusses concepts of legitimacy and the relationship that it has to hegemony and how this is an enduring and defining characteristic of post-1945 US hegemony. The discussion also draws on the theory of hierarchy as a means of describing international relations in the Asian region, and discusses the similarities and differences between hierarchy and hegemony. The section concludes with a critical analysis of the theories and a definition of hegemony as it is used in this thesis. The second section on autonomy deals with how the concept is discussed in International Relations theory by drawing on theories of sovereignty. It analyses how rationalist theories discuss sovereignty and compares sovereignty to David Held's theory of autonomy and nautonomy, before moving beyond rationalist theories to conclude with a discussion of non-rationalist theories and finally a definition of autonomy.

Definition of Hegemony

Theories of hegemony can be categorised as those that focus predominantly on the behaviour of a hegemon, and those that shed light on how the lesser states might perceive hegemony. In recognition of these differences, this thesis gives both a single definition of hegemony and two different perceptions of the hegemonic international system. Hegemony in international relations is defined as a situation when "one state has a preponderance of material resources"[2] and "is powerful enough to maintain the essential rules governing interstate relations, and willing to do so"[3]. In addition to this, it is important to add that the hegemon is also seen as having won the consensus of subordinate states to be in this position, and therefore hegemony also sources its power from legitimacy. This distinguishes hegemony from simple dominance and, thus, hegemony is based on a broad consensus internationally that a dominant power should, and can, take leadership in world order.[4]

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1 Wendt, *Social Theory of International Relations*, pp. 235–36.
2 Keohane, *After Hegemony*, p. 32.
3 Keohane and Nye, *Power and Interdependence*, p. 44.
4 Cox with Sinclair, *Approaches to World Orders*, p. 120.

In the context of US-Japan relations, it is important to distinguish between two perceptions of hegemony in the context of studying Japanese autonomy: firstly, how the United States perceives international relations under hegemonic leadership; and secondly the nature of the hegemonic international system as Japan perceives it, particularly in its alliance relationship with the United States. These different perceptions of hegemony are important, as they significantly influence Japan's perceptions of boundaries of autonomous foreign policy, and are therefore crucial in delineating a Japanese autonomy that is more limited and restricted than conventionally assumed in International Relations theory.

The hegemon, in this case the United States, perceives its surroundings as an anarchic international order where states are in competition with each other and act on self-help and self-preservation principles. As a result, while it exercises political, economic and moral leadership as best it can through legitimate means and by encouraging lesser states to socialise into hegemonic norms, the United States is also highly attentive of how and when its hegemony might be undermined. Consequently, it is cautious of subordinate state behaviour that might indicate opposition to its hegemonic values and interests. Despite having won the consent of subordinate states, the hegemon views the emergent hegemonic international system as being fundamentally anarchic, and the uncertainties typified by realist analyses of international relations do not totally dissipate for the central power.

The second perception of the hegemonic international system is that of the subordinate state—in this case Japan. In practice, Japan's perception of international relations under hegemony is different from that of the United States. While the United States views the international system as being anarchic and being one of many equal states, Japan sees an international system that is closer to David C. Kang's theory of hierarchy.[5] Japan regards itself as clearly subordinate to the hegemon and perceives challenging the hegemon as counterproductive. The argument of this chapter is that these two different views emerge from Japan's loss in the Second World War, and its recognition and socialisation into subsequent post-1945 hegemonic norms. It argues that Japan assumes that it need not always defer to the hegemon on all issues based on its comprehensive appreciation of this asymmetrical power relation, and that greater autonomy can therefore be exercised.

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5 Kang, "Hierarchy and Stability", pp. 163–89.

As a result, the hegemon sees the world as an anarchic international order, and assumes that subordinate states have been socialised to accept the values and norms of the hegemon. However, because its worldview is predominantly influenced by anarchy[6] and a stronger perception of the equality of states, the hegemon believes that subordinate states are likely to take actions motivated by self-help that may eventually seek to challenge the hegemon. Therefore, the hegemon perceives a need to exercise caution and coercion, even though it is the central global power and interprets divergent subordinate state behaviour with suspicion and with greater sensitivity. By contrast, this thesis argues that subordinate states perceive a hegemonic system closer to Kang's theory of hierarchy, which concedes the global preponderance of the hegemon.[7] Because a subordinate state recognises itself as lower in the pecking order instead of an equal sovereign state, it participates in greater incidents of policy deference. However, subordinate states also see themselves as being less threatening to the central power, and thus perceive greater scope for autonomy; yet this does not necessarily mean a challenge to the authority or centrality of the hegemon.

Theories of Hegemony in International Relations

Works representative of realist, English School, liberal institutionalist and Gramscian analyses of hegemony are Robert Gilpin's *War and Change in World Politics*, Martin Wight's *Power Politics*, Hedley Bull's *The Anarchical Society: A Study of Order in World Politics*, Robert O. Keohane's *After Hegemony: Co-operation and Discord in the World Political Economy*, and Robert W. Cox's "Social forces, States, and World Orders: Beyond International Relations Theory". These theories are all helpful when considering the nature of US leadership, the various stages it moved through in international relations in the latter half of the twentieth century, and what this reflects on the nature of hegemony itself. Three more recent evaluations of hegemony by G. John Ikenberry, Christian Reus-Smit and Mlada Bukovansky are then examined for the light that they shed on the importance of legitimacy in maintaining hegemony. An analysis of these works is important for this study, as it is necessary to clarify the characteristics of US hegemony in order to accurately explain the context in which Japanese autonomy is conducted and how this context influences its autonomy or the lack of it. A detailed analysis of hegemony and legitimacy also serves to reject the realist argument that

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6 Anarchy in International Relations does not imply chaos and the breakdown of order, but the absence of political authority in a system of states.

7 Kang, "Hierarchy and Stability", p. 168.

hegemony can be established and sustained on material resources alone. US hegemony is instead strongly dependent on the consent of other states and their perceptions of the exercise of US power as being legitimate.

After the discussion of hegemony, an analysis of David C. Kang's non-Western view of international relations is examined. Kang's theory does not assume equality of states and a state of constant conflict, but instead presents a model of hierarchy to explain the international relations of Asia. Kang argues that hierarchy involves "a central power that still operates in anarchy, but does not cause other nations to balance against the largest power in the system, and does not fold them under its wing in empire"[8]. Drawing from this, it is argued below that, whilst the hegemonic power does include subordinate states in a sphere of influence or an informal empire, it perceives a world of anarchy amongst equal states. At the same time, the lesser states are more influenced by the order of hegemony, and less influenced by an anarchic view of the world. In other words, if the United States has one perception of its position in the world, then other subordinate states—including Japan—have another perception of the world. This leads to different expectations regarding behaviour and, consequently, differences in views on the boundaries of autonomy in hegemonic relationships like that which exists between the United States and Japan.

A Realist Theory of Hegemony

Robert Gilpin presents a realist explanation of hegemony and his analysis maintains that states make strategic calculations of national interest, and that powerful states create the international system to rationally advance their selfish political, economic or other types of interests.[9] Gilpin defines hegemony simply "from the Greek, [which] refers to the leadership of one state (the hegemon) over other states in the system."[10] His actual theory suggests that it is much more. Hegemony as perceived by realists is summarised more eloquently by Owen Harries:

> What exactly does [hegemony] mean? If, like me, you depend mainly on the *Concise Oxford Dictionary*, you will find that the only definition it gives is, in its entirety, 'leadership, especially by one state of a confederacy'. As far as its current usage in international politics is concerned, this is not very helpful...hegemony

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8 Kang, "Hierarchy and Stability", p. 166

9 Robert Gilpin, *War and Change in World Politics*, Cambridge University Press, Cambridge, 1981, p. 9.

10 Gilpin, *War and Change*, p. 116n.

> implies domination, not merely leadership—domination resulting from superior power.[11]

In other words, realist theorists argue that the hegemon exerts leadership and dominates an international system based on its material preponderance—particularly in terms of military capacity.

Gilpin's theory of hegemony and international change is based on five assumptions about the behaviour of the state. Firstly, he theorises that the international system will remain stable if member states see no profit in challenging the existing international structure.[12] In other words, the balance of power and the hegemonic position of a dominant state will be maintained if there are no shifts in state interests and state capacity. Secondly, a state will only challenge the international system if the benefits are perceived likely to outweigh the costs.[13] Thirdly, Gilpin theorises that a state will seek to change the international system through territorial, political and economic expansion, until the costs outweigh the benefits.[14] While Gilpin stipulates that territorial expansion is less likely in current international relations, he argues that this in itself does not mean that the "imperialist impulse" has been eradicated from international relations; rather, that specific environmental circumstances make territorial expansion less profitable.[15] Therefore, Gilpin argues that, when the environmental elements become favourable and there is sufficient domestic initiative, it cannot be ruled out that dominant powers might once again turn to territorial expansion. The post-Second World War strategy of the United States, including its stationing of military bases in Europe and Asia, and its temporary occupation of countries like Iraq, are the more common forms of "temporary territorial expansion" in recent international relations. Fourthly, once equilibrium between the cost and benefits of further change and expansion is reached, Gilpin argues that the economic costs of maintaining the newly established status quo rises faster than the economic capacity to support it.[16] Finally, when the balance of power is destabilised, it will be re-established through a redistribution of power.[17] If the disequilibrium between the costs and the benefits of maintaining the international system is not resolved, the system will change, resulting in a new

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11 Owen Harries, *Benign or Imperial?: Reflections on American Hegemony*, Sydney, ABC Books, 2001, pp. 3–4.

12 Gilpin, *War and Change in World Politics*, p. 50.

13 Gilpin, *War and Change in World Politics*, p. 50.

14 Gilpin, *War and Change in World Politics*, p. 106.

15 Gilpin, *War and Change in World Politics*, p. 110.

16 Gilpin, *War and Change in World Politics*, p. 156.

17 Gilpin, *War and Change in World Politics*, p. 186.

equilibrium reflecting the redistribution of power.[18] Based on these five principles, Gilpin argues that hegemonic stability is maintained until the next hegemon rises, and changes occur through major international conflict, or what he terms "hegemonic wars" [19]

The complexity and success of US hegemony cannot be discussed without addressing the concept of legitimacy. Gilpin deals with this concept in his theory, but only within the context of realist representations of state behaviour as represented in his five assumptions. He addresses legitimacy through the concept of prestige, which indicates recognition of power and legitimacy as a dominant state.[20] Power for Gilpin refers to the economic, military and related capabilities of a state, whereas prestige refers primarily to the perceptions of other states with respect to a state's capacities and its ability and willingness to exercise its power. Gilpin goes so far as to say that "in the first place, although prestige is largely a function of economic and military capabilities, it is achieved primarily through successful use of power, and especially through victory in war."[21] Gilpin therefore essentially argues that the hierarchy of prestige in an international system ultimately rests on economic and military power. A dominant state will often promote its interests through a particular religion or ideology that presents dominant state interests as public goods (such as international stability, economic order).[22] Based on this prestige, the lesser states in an international system follow the leadership of more powerful states, in part because they accept the legitimacy and utility of the existing order, but also because they prefer the certainty of the status quo to the uncertainties of change.[23]

There are several shortcomings to Gilpin's assumptions about state behaviour and, as a consequence, the rise and fall of hegemonic powers. Firstly, in arguing that hegemonic change is only achieved through major international conflict, Gilpin's theory immediately loses explanatory power when considering the end of the Cold War. To begin with, the Cold War involved two hegemons exercising preponderance over their respective spheres of influence and, more importantly, the end of the ideological conflict and the emergence of the United States as the global hegemon did not involve a major hegemonic war.

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18 Gilpin, *War and Change in World Politics*, p. 10–11.
19 Gilpin, *War and Change in World Politics*, pp. 199–200.
20 Gilpin, *War and Change in World Politics*, pp. 30–31.
21 Gilpin, *War and Change in World Politics*, p. 32.
22 Gilpin, *War and Change in World Politics*, p. 30.
23 Gilpin, *War and Change in World Politics*, p. 30.

Secondly, and more relevantly to this discussion of Japan's autonomous foreign policy under US hegemony, is that the behaviour of states on which Gilpin bases his theory of hegemony does not accord with the state actions of Japan. For example, within the US sphere of interest, during the 1980s Takashi Inoguchi anticipated a scenario of "bigemony", with two hegemons—the United States and Japan.[24] In other words, Gilpin's theory failed to take into account the increase of Japanese power under US hegemony that did not attempt to "change the rules governing the international system, the division of the spheres of influence...and the international distribution of territory"[25]. If Gilpin's theory is to be followed, he would argue that increases in Japan's international power would signify a shift in a state's interest and capacity, and would therefore influence the balance of power, and that Japan would seek to do this because it perceives that the benefits of challenging the United States outweigh the costs. This was clearly not what Japan was trying to achieve. Consequently, Gilpin's five assumptions of state behaviour neither accurately describe Japanese state behaviour nor accurately portray the complexities of US hegemony in which Japan functions.

Thirdly, in relation to Gilpin's notion of status, the discussion on legitimacy later in this chapter reveals that the US hegemony in which Japan exercises its foreign policy bases its legitimacy on more than the economic and material preponderance upon which Gilpin bases his notion of status. This factor also makes Gilpin's analysis of hegemony in International Relations unsuitable in characterising US hegemony in this thesis.

English School Theories of Hegemony

Another school of thought incorporating realist perceptions of power and state behaviour is the English School. English School theorist Martin Wight is not a realist in his analysis of international relations; rather, he argues that accuracy of analysis in international politics is best derived from a debate between Machiavellian, Grotian and Kantian traditions.[26] The fundamental difference between the realist and English school

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24 Takashi Inoguchi, "Four Scenarios for the Future", *The International Relations of Japan*, Kathleen Newland (ed.), London, Macmillan, 1990, p. 211.

25 Gilpin, *War and Change in World Politics*, p. 187.

26 Martin Wight, *Power Politics*, edited by Hedley Bull and Carsten Holbraad, London, Leicester University Press, 1995, p. 19. Niccolo Machiavelli is a classical realist who argues that state leaders need to practise a different code of ethics in order to achieve maximum state interests, and is highly sceptical of good human nature. Hugo Grotius, who is considered the "father of international law", argued that war could be restricted by clarifying acceptable standards of conduct that could govern the relations between all independence states regardless of religious doctrines. Immanuel Kant was a liberal internationalist thinker of the Enlightenment period, who argued that "perpetual peace" could be achieved by changing individual consciousness, enforcing republican constitutionalism and a federal contract between states to abolish war. See Niccolo Machiavelli, *The Prince*, translated by

perspectives of the balance of power is that English school theorists argue that states must *want* a balance of power to work, and must be committed to making the state system work. Consequently, the international society within anarchy, which the English school argues, is created on norm-based relationships.[27] Wight's discussion is an important example of theories that emphasise the importance of material power and his interpretation of international relations and hegemony is similar to realist theories:

> The most conspicuous theme in international history is not the growth of internationalism. It is the series of efforts, by one power after another, to gain mastery of the states-system—efforts that have been defeated only by a coalition of the majority of other powers at the cost of an exhausting general war.[28]

Wight refers to hegemons as "dominant powers"—states that exercise territorial and ideological aggrandisement and hold authority over a "limited range of influence"[29], such as the position of superpowers in their various spheres of influence during the Cold War. They appeal to "some design of international unity and solidarity"[30], which suggests the relevance of legitimacy in claiming the position of hegemon. Like Gilpin's theory, Wight maintains that the dominant power is usually challenged by a coalition of states through violence and war; however, ideally, a hegemon "can confidently contemplate war against any likely combination of other powers".[31] When there is no dominant power, that international order is managed by a club of "great powers".

Unfortunately, like Gilpin's theory, Wight's argument over-emphasises the importance of material power, despite alluding to other factors such as legitimacy. Furthermore, Wight's discussion of international relations is largely about state behaviour in historical and contemporary Europe and, consequently, is not always relevant to the predominance of one global superpower that we see in post-Cold War international relations.

Another thinker from the English School, Hedley Bull, maintains that balance of power ensures that no one state has a universal empire, which informs his perceptions of hegemony.[32] Like Wight, Bull is not a realist, but argues that a society of states with

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Harvey C. Mansfield, Chicago, University of Chicago Press, 1998; Hugo Grotius, *The Rights of War and Peace*, translated by A. C. Campbell, New York, M. Walter Dunne, 1901, and Immanuel Kant, *Perpetual Peace*, edited by Lewis White Beck, New York, Liberal Arts Press, 1957.

27 Wight, *Power Politics*, p. 19; Hedley Bull, *The Anarchical Society: A Study of Order in World Politics*, London, Macmillan, 1985, p. 106.

28 Wight, *Power Politics*, p. 30.

29 Wight, *Power Politics*, p. 36, 41.

30 Wight, *Power Politics*, p. 36.

31 Wight, *Power Politics*, p. 52.

32 Bull, *The Anarchical Society*, p. 106.

common values and institutions is possible within anarchy. Thus, he perceives international relations as having features of realism—for example, anarchy, balance of power and war—but bound and guided by liberal and pluralist values:

> A *society of states* (or international society) exists when a group of states, conscious of certain common interests and common values, form a society in the sense that they conceive themselves to be bound by a common set of rules in their relations with one another, and share in the working of common institutions.[33]

Bull essentially argues that the balance of power between states not only protects international society from a preponderant universal power, but also "serves to protect the independence of states in particular areas from absorption and domination" and provides "the conditions in which other institutions on which international order depends (diplomacy, war, international law, great power management)".[34]

However, Bull argues that, within a system of complex balance of power, there can be dominant and subordinate balances of power, where some balances have effects greater than others.[35] He states that, historically, the needs of greater powers have been maintained through the absorption and partition of weaker states, and that "the needs of the dominant balance must take precedence over those of subordinate balances"[36] in order to maintain the balance of power, which Bull sees as the guardian of the state-system. The international order that the great powers maintain "is their preferred order, and there are always forces abroad in the international system that will seek to replace this order with one that will embody some different values."[37] More importantly, the position of guardianship that the great powers have is based on an acceptability of their authority and special privileges to other states.[38] In other words, Bull recognised that, in order for great powers to maintain international order, they require legitimacy in the eyes of other states. Furthermore, this legitimate recognition of the greater powers' status means that the international order they maintain "[embodies] a principle of hierarchy that [is] at loggerheads with the principle of equal sovereignty of states".[39]

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33 Bull, *The Anarchical Society*, p. 13.

34 Bull, *The Anarchical Society*, pp. 106–107.

35 Bull, *The Anarchical Society*, pp. 102–103.

36 Bull, *The Anarchical Society*, p. 108.

37 Hedley Bull, "The Great Irresponsibles? The United States, the Soviet Union, and World Order", *International Journal*, vol. 25, 1980, pp. 439–47, p. 440.

38 Bull, "The Great Irresponsibles?", p. 441.

39 Bull, "The Great Irresponsibles?", p. 441.

Bull argues that hegemony is one type of influence exerted by great powers. He describes hegemonic power as being between dominance[40] and primacy[41] as follows:

> Where a great power exercises hegemony over the lesser powers in a particular area or constellation, there is resort to force and the threat of force, but this is not habitual and uninhibited but occasional and reluctant. The great power prefers to rely upon instruments other than the direct use or threat of force, and will employ the latter only in situations of extremity and with a sense that in doing so it is incurring a political cost. The great power is ready to violate the rights of sovereignty, equality and independence enjoyed by the lesser states, but it does not disregard them; it recognises that these rights exists, and justifies violation of them by appeal to some specific overriding principle. As Georg Schwarzenberger has written, hegemony is 'imperialism with good manners'.[42]

The reality of international relations is that the balance of power has done little to protect weaker states from economic absorption and domination in the context of a globalised economy, which is a major feature of hegemony today. Given this enduring feature of US hegemony, Bull's belief that the normative commitment of states to maintain a particular balance of power for the sake of an international society seems to speak largely to the analysis of why dominant powers take particular decisions, but does not sufficiently explain why subordinate states would choose to defer to the leadership of a hegemon and submit to the status quo.[43] As this thesis focuses on why Japan chooses to restrict its autonomy in its foreign policy under US hegemony, this deficiency in Bull's theory is particularly significant and diminishes its utility.

However, Bull's challenging of the principle of the equality through the recognition of hierarchy amongst states is an important one, and relates to the argument that Japan's identity, interests and foreign policy are tied to its perception of being a subordinate state under US hegemony. Yet, because the foundation of Bull's theory is anarchy, it assumes that this unequal order is constantly under threat and that other great powers will seek to challenge this order. In this context, Japan is described as being "a potential...power",[44] thus implying it has some potential of challenging international order in the future. Nevertheless, post-1945 history suggests that it can be more

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40 Bull defines dominance as "the habitual use of force by a great power against the lesser states compromising its hinterland, and by habitual disregard of the universal norms of interstate behaviour that confer rights of sovereignty, equality and independence upon these states". See Bull, *The Anarchical Society*, p. 214.

41 Bull argues "[a] great power's preponderance in relation to a group of lesser states takes the form of primacy when it is achieved without any resort to force or the threat of force, and with no more than the ordinary degree of disregard for norms of sovereignty, equality and independence." See Bull, *The Anarchical Society*, p. 214.

42 Bull, *The Anarchical Society*, pp. 215–16.

43 Hidemi Suganami, "On Hedley Bull's The Anarchical Society", http://www.leeds.ac.uk/polis/englishschool/suganami-bull01.htm, accessed 7 February 2006.

44 Bull, *The Anarchical Society*, p. 112.

accurately described as a state that accepts the legitimate authority of the great powers, like the lesser states. Thus, while Bull's theory is more perceptive than realist theory, it does not quite present a basis for an accurate account of Japan's position under US hegemony.

A Liberal Theory of Hegemony

While liberal theorists emphasise the potential for co-operation amongst states and are concerned with the concepts of norms and the creation of regimes over time, they are not totally critical of realism and therefore more or less base their arguments about hegemony on a similar view of hegemonic stability.[45] Therefore, while the concept of power remains relatively similar to realist assumptions of "power as a simple capability", [46] liberal theories of hegemony also touch on issues of "power as legitimacy"[47] and the potential for power to be constituted in institutions and processes of co-operation of individual actors.

Keohane defines hegemony as being when "one state is powerful enough to maintain the essential rules governing interstate relations, and willing to do so"[48] He maintains that "hegemony is defined as [a] preponderance of material resources"[49] more in an economic context, but importantly argues that strength itself does not automatically create incentives to project a hegemon's power abroad. A key theme in his book is international order and co-operation after hegemony. However, while he disagrees with the view that non-hegemonic states are victims within a hegemonic international structure as often portrayed by Marxists, Keohane uses the Gramscian meaning of hegemony, where it does not simply mean dominance, but power that involves consensus:

> Antonio Gramsci used the concept of hegemony to express a unity between objective material forces and ethico-political ideas—in Marxian terms, a unity of structure and superstructure—in which power based on dominance over production is rationalized through an ideology incorporating compromise or consensus between dominant and subordinate groups. A hegemonial structure of world order is one in which power takes a primarily consensual form, as distinguished from a

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45 Keohane, *After Hegemony*, pp. 31–48.

46 Christian Reus-Smit, *American Power and World Order*, Cambridge, Polity Press, 2004, pp. 43–44.

47 Reus-Smit, *American Power and World Order*, pp. 43–44.

48 Keohane and Nye, *Power and Interdependence*, p. 44.

49 Keohane, *After Hegemony*, p. 32.

> non-hegemonic order in which there are manifestly rival powers and no power has been able to establish the legitimacy of its dominance.[50]

Keohane's theory of hegemony rejects realist assumptions that co-operation can only emerge in conflict situations as strategic alliances, and emphasises the importance of international institutions that can benefit a system and other states. Drawing from institutionalist theory, Keohane maintains that the increase of interdependence would create a greater need for co-operation, whereas realists argue that the diffusion of power would cause instability.

As a consequence, Keohane dismisses the two major assumptions of realist hegemonic stability theory—firstly, that a single dominant power typically creates world order, and secondly that the maintenance of this order, including the maintenance of international regimes, requires continued hegemony.[51] Keohane argues that the dominance of one power may contribute to co-operation and order, but a single power does not necessarily guarantee this. In other words, material predominance (such as control over raw materials, sources of capital, control over markets, and competitive advantages in the production of highly valued goods) alone does not guarantee either stability or effective leadership.[52]

Firstly, Keohane argues that leadership and a position of power does not automatically follow material capabilities, because a hegemon depends on certain forms of asymmetrical co-operation from other members of the order—the hegemon provides its partners with leadership in return for deference, *but it cannot make and enforce rules without a certain degree of consent from other sovereign states.*[53] Therefore, the hegemon must be willing to potentially invest resources in institutions to ensure that its preferred rules will guide the behaviour of other countries.[54] This creates the greater component to hegemony, order and co-operation.

Secondly, he argues that realist hegemonic stability theory does not explain situations when hegemony erodes. Keohane raises the example of the increases in co-operation during the hegemonic decline of the 1960s and 1970s (as seen in the deterioration of the Bretton Woods system) and that co-operation does not necessarily

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50 Robert W. Cox, "Social forces, states and world orders: beyond international relations theory", *Journal of International Studies,* Millennium, vol. 10, no. 2, Summer, 1981, pp. 126–55, p. 153, as quoted in Keohane, *After Hegemony*, pp. 44–45.

51 Keohane, *After Hegemony*, pp. 32–39.

52 Keohane, *After Hegemony*, pp. 32–39.

53 Keohane, *After Hegemony*, p. 49.

54 Keohane, *After Hegemony*, pp. 177–81.

require the existence of a hegemonic leader after international regimes have been established.[55] Despite originating from hegemonic interests, Keohane argues that international institutions are largely collectively beneficial enough to withstand the decline of hegemonic support. Patterns of co-operation persist in the face of declining hegemony, because regimes perform functions demanded by states with shared interests. Therefore, Keohane argues that a liberal monetary regime was maintained after the end of pegged exchange rates, despite it being weaker and with less explicit rules.[56] Keohane thus attributes the deficiency in the analytical power of hegemonic stability theory to the lack of recognition of international institutions that foster and shape patterns of co-operation.

Like Keohane's argument of the resilience of international institutions and regimes, John Gerard Ruggie argues that the sources of power and the purposes of institutions do not necessarily co-vary, and that changes in the power of the hegemon do not necessarily mean changes in regimes.[57] Ruggie argues that the rules and procedures in achieving these goals may change, but the fundamental normative framework of the regime does not and it is therefore possible for regimes to hold shared and constant purposes beyond the influence of a hegemon.[58] He uses the example of the collapse of the Bretton Woods system, which will be discussed in greater detail in the next chapter.

Keohane's theory of hegemony is a compelling one and, by including the importance of consensus from other states in his explanation, he gives hegemony depth beyond an explanation focused on leadership through material preponderance. While US hegemony did not continue to decline as much as Keohane may have originally anticipated,[59] the institutional manifestation of US hegemony in the Japanese context—the US-Japan alliance—and also other alliances in Europe such as North Atlantic Treaty Organisation (NATO), have endured beyond its Cold War purpose, signifying the continued relevance and importance of US hegemony for these regions.

Keohane's theory is more inclusive of the role other states play in supporting and maintaining hegemony, because the main objective of his theory is to highlight its co-

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55 Keohane, *After Hegemony*, pp. 141–43.

56 Keohane, *After Hegemony*, p. 209, 215.

57 John Gerard Ruggie, "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order", *International Organization*, vol. 36, no. 2, Spring, 1982, pp. 379–415, p. 384.

58 Ruggie, "International Regimes, Transactions, and Change", p. 384.

59 The argument of this thesis is that, while there was a perceived relative decline in US power during the 1970s and 1980s, US hegemony remained relatively stable throughout the Cold War period, and regained strength after the Cold War. This is discussed in greater detail in Chapter Two.

operative and multi-state aspects. However, by rejecting that states under hegemony are not necessarily victims of the hegemonic system, he underplays the power inequalities that exist in reality. By contrast, Bull's theory pointed to the idea of hierarchy. While the argument of this thesis is also not to portray Japan as a state manipulated under US hegemony, it does argue that Japan's loss in the Second World War is the departure point for socialisation into US hegemony. These beginnings give Japan a unique position and role within US hegemony that was born out of distinctly unequal power relations whose effects should not be under-emphasised. Therefore, when assessing US hegemony in this study, a theory is required that not only accounts for these greater power inequalities, but also examines their influences on state behaviour.

Gramscian Theory and Hegemony

Like Gilpin and Keohane, Cox's discussion of hegemony also centres on international political economy. He draws on Marxism and Gramsci's conception of hegemony. Unlike the Marxist usage of the term "hegemony", which suggested the political leadership of the proletariat, Gramsci's perception of hegemony focused on the domination of capitalist bourgeois culture that was entrenched in the politics and economics of society. He maintained that these values had permeated to such an extent as to have become normalised These bourgeois hegemonic values became the values of the working class, preventing the inevitable socialist revolution that Marxist theorists had predicted. [60] Cox draws on this conception of hegemony, and applies it to international political and economic relations as well as to world order.

Cox describes hegemony as involving a state founding and protecting "a world order which was universal in conception; in other words, not an order in which one state directly exploits others but an order which most other states (or at least those within reach of hegemony) could find compatible with their interest."[61] This entailed the dominance of a state in a world order based on an internationalisation of production. Cox theorised that the internationalisation of production would create social classes that support the dominant mode of production within a state, which creates and controls social institutions, culture and technology.[62] These social mechanisms would eventually

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60 Antonio Gramsci, *Selections from the Prison Notebooks*, edited and translated by Quintin Hoare and Geoffrey Nowell Smith, London, Lawrence and Wishart, 1998, pp. 261–64. Also see "Gramsci, hegemony and international relations: an essay in method", in Robert Cox with Timothy J. Sinclair, *Approaches to World Order*, Cambridge, Cambridge University Press, 1996, pp. 124–43, pp. 125–26.

61 Cox, "Social forces, states, and world orders", p. 136.

62 Cox, "Social forces, states, and world orders", p. 136.

transcend the state and be emulated by other states, thereby establishing a hegemonic order on a world scale.

Cox argued that the hegemonic concept of world order is founded not only upon the regulation of inter-state conflict, but also upon a globally conceived civil society. This necessitates world hegemony as being a social, economic and political order that manifests itself through universal norms, institutions and mechanisms which strives to bring about links among social classes across countries. International norms and institutions become the rules of behaviour for states and the domestic forces which support the dominant mode of production, therefore becoming tools of the hegemonic structure.[63]

> ...Indeed, international organization functions as the process through which the institutions of hegemony and its ideology are developed. Among the features of international organizations which express its hegemonic role are the following: (1) the institutions embody the rules which facilitate the expansion of hegemonic world orders; (2) they are themselves the product of the hegemonic world orders; (3) they ideologically legitimate the norms of the world order; (4) they co-opt the elites from peripheral countries; and (5) they absorb counterhegemonic ideas.[64]

Under a fully developed hegemony, a "war of movement"[65]—such as the Russian Revolution—can achieve change with little resistance from civil society. However, in states where capitalist hegemony prevails, a war of movement would face resistance from civil society, which is embedded with hegemonic values, and it would most likely prove unsuccessful. Thus, Gramsci and Cox argue that hegemonic change can only occur when sufficient support is gained for a war of position "which slowly builds up the strength of the social foundations of a new state".[66] This means creating alternative institutions and intellectual resources within the existing hegemony, while resisting the pressures and temptations to relapse back into the framework of bourgeois hegemony.[67]

The argument of this thesis is that the idea of US hegemony has become so normal for Japan, that its alliance with the United States is the very starting point of its foreign policy and, therefore, that Gramsci and Cox's theories describe well the extent to which Japan has socialised US hegemonic ideas into its own domestic values and policies. Also, unlike the theories of hegemony previously discussed, Gramscian

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63 Cox, "Social forces, states, and world orders", p. 137.

64 Cox, "Social forces, states, and world orders", pp. 137–38.

65 A "war of movement" in this case was where a small and disciplined group of the working class led the underdeveloped civil society to overwhelm and takeover the state. See Cox, "Gramsci, hegemony and international relations", p. 128.

66 Cox, "Gramsci, hegemony and international relations", p. 128.

67 Cox, "Gramsci, hegemony and international relations", p. 129.

theories of hegemony focus on the effect that hegemony has on subordinate states and, as such, have benefits for this study. However, because it interprets subordinate states largely as victims that have been hoodwinked into hegemony, it does not leave much room for interpretations of autonomous action by these states, other than in the context of war of movement. The examples of autonomy in Japanese foreign policy in Chapters Four, Five and Six demonstrate that, while Japan is embedded in US hegemony, Japan's actions do not necessarily translate to war of movement initiatives, which makes Gramsci and Cox's theories unsuitable for this study of Japanese autonomy.

The survey of realist, English School, liberal and Gramscian theories of hegemony helped to identify the difference between dominance and hegemony. Hegemony from the realist theoretical point of view was based on the material preponderance of a single state that was constantly under threat from rival challenges in an international system of anarchy. Liberal theorists perceived a similar situation of hegemony—dominance of one state—but argued very different outcomes of this hegemony. Keohane argued that international institutions, which were originally established under hegemony, could be sustained even after the demise of the hegemon, suggesting that hegemony was based on a consensus of common goals to a certain extent, and that co-operation was not always contingent on the continued presence of a dominant state. Gramscian theories argued that hegemony was based on the political, economic, social and ideological domination of one state or class that manifested itself through universal norms, institutions and mechanisms.

However, given that the central task of this study is to explain the autonomous actions of subordinate states under hegemony, all these theories are limited. Keohane's theory and Gramscian theories are both persuasive theories of hegemony that include the role of other states in maintaining hegemony, and also discusses how unequal power relations play into this co-operative form of hegemony. They are limited in demonstrating the capacity of subordinate states to conduct autonomous foreign policy under hegemony. This is because these theories overly focus on the hegemon or implicitly assume that, given limited material capacities, subordinate states have little scope for autonomy under hegemony.

Legitimacy

What becomes obvious in the survey of these three major works on hegemony is that all of them argue, to varying degrees, that hegemonic power is based on some sort of

legitimacy. Even Gilpin, who bases his hegemonic stability theory on the notion of "power as capacity", includes his concept of prestige as being dependent on the recognised legitimacy of a hegemon.[68] Whilst Gilpin bases legitimacy on the successful use of superior economic and military capabilities through war,[69] Keohane also acknowledges the importance of consensus in hegemonic structures, and argues that this consensus formed the basis of legitimating a hegemon's dominance.[70] Given that Keohane's argument of the importance of consensus in hegemonic structures is derived from Gramsci, it goes without saying that Gramscian theories have also placed weight on the concept of legitimacy. Cox argued that consensus through universal norms and institutions was an essential component in order for a hegemon to achieve a structure that manifests itself socially, politically and economically, all of which were rooted in a particular mode of production.[71] Consequently, while many theories have different conceptions of hegemony, they have surprisingly similar insights on legitimacy, which suggests it cannot be ignored when thinking about hegemonic power.

Christian Reus-Smit defines legitimacy as follows:

> [T]he language of legitimacy is employed to describe not just the capacity to act, but the right or entitlement to act. Mark Suchman captures this when he defines legitimacy as "a generalized perception or social constructed system of norms, values, beliefs, and definitions" (Mark C. Suchman, "Managing Legitimacy: Strategic and Institutional Approaches, *Academy of Management Review*, vol. 20, no. 3, July 1995, pp. 571–610, p. 574.). It is in the political realm, though, that the original meaning of the term lies, deriving as it does from the quintessential politico-legal term legislate. Here legitimacy is generally taken to mean the right to rule, or the right to govern (Jean-Marc Coicaud, *Legitimacy and Politics: A Contribution to the Study of Political Right and Political Responsibility*, Cambridge, Cambridge University Press, 2002, p. 10)....[L]egitimacy thus refers to an entitlement to control, which generally means an entitlement to issue authoritative commands that require compliance from those subject to them. An actor can be said to command legitimacy, therefore, when its decisions and actions (and I would contend identities and interest) are socially sanctioned.[72]

These theorists demonstrate that the element of legitimacy is a defining aspect of US hegemony in the 20th century. It becomes clear that, across various theories and particularly in non-realist analyses of hegemony, consensus, political culture, social norms and rules become important in conceptualising hegemony. This has been particularly noticeable in the international order since the Second World War. In

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68 Gilpin, *War and Change in World Politics*, pp. 30–32.

69 Gilpin, *War and Change in World Politics*, p. 32.

70 Cox, "Social forces, states and world orders", p. 153.

71 Cox, "Social forces, states, and world orders", p. 137.

72 Christian Reus-Smit, "International Crisis of Legitimacy", *International Politics*, vol. 44, issue 2, 2007, forthcoming.

contrast to power as a capacity, which based power on the quantifiable material means of power, legitimacy as a source of power is based on a broad consensus that a dominant power should and can take leadership in world order.[73] In this case power is relational rather than possessive, and "only when an actor seeks to have a transformative effect in relationship to other actors can they be said to have, or not to have, power."[74] Hegemony based on this type of power—as argued previously by Keohane,[75] Gramsci,[76] and by John G. Ikenberry[77] and Mlada Bukovansky[78] below—are ideational, which signifies that "that power is constituted not just by the distribution of material capabilities, but more fundamentally by social institutions, broadly construed as complexes of norms, rules, principles and decision-making procedures."[79] Reus-Smit also argues that legitimacy is based on a social context; in other words, power sourced by legitimacy needs to be recognised by other actors and practised within a society for it to be relevant or effective.[80]

Ikenberry, a leading scholar on the concept of legitimacy, also expands on these ideas and goes into greater detail as to how legitimacy plays into hegemonic power. Like Keohane and Gramsci, Ikenberry argues that it is insufficient to simply focus on the material resources in order to understand hegemonic power, and that non-material power also plays an integral part of legitimate international dominance. In other words, hegemonic power must be based on perceptions of "right" as much as "might" for it to be effective.[81]

Ikenberry and Charles A. Kupchan argue that a hegemon establishes legitimacy when secondary and smaller states internalise hegemonic norms and principles, which then consolidate the hegemon's position internationally:

> We propose that legitimate domination comes about when smaller powers, through the influence or example of the hegemon, experience a shift in value orientation that induces them to buy it and accept as justified and principled the normative order espoused by the hegemon. It is essential that the process involve change in norms, and not simply a shift in practices...The state is still capable of rationally pursuing its own interests, but new norms guide the choices states make to advance those interests. The process of legitimation is thus one in which states internalize

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73 Reus-Smit, *American Power and World Order*, pp. 43–44.

74 Reus-Smit, *American Power and World Order*, p. 43.

75 Keohane, *After Hegemony*, p. 45.

76 Gramsci, *Selections*, p. 264.

77 Ikenberry and Kupchan, "The Legitimation of Hegemonic Power", p. 49.

78 Mlada Bukovansky, *Legitimacy and Power Politics*, New Jersey, Princeton University Press, 2002, p. 8.

79 Reus-Smit, *American Power and World Order*, p. 43.

80 Reus-Smit, *American Power and World Order*, p. 43.

81 Ikenberry and Kupchan, "The Legitimation of Hegemonic Power", p. 49.

> these new norms and become socialized in the community formed by the hegemon and those states that accept its leadership position.[82]

Ikenberry and Kupchan note Western Europe and Japan following the Second World War as examples of how hegemonic norms and rules created a value shift in these regions through a process of socialisation. A hegemonic international system was established based on the norms and vision of the hegemon as articulated by the Roosevelt administration. These norms centred on liberal multilateralism,[83] which politically entailed foreign policies that observed the charter of the United Nations, and economic policies around the Bretton Woods system and International Trade Organisation.[84] They argue that Western Europe and Japan eventually responded to what were US coercion and inducement strategies, which had the effect of changing policies and ultimately transformed the normative preferences of both Western Europe and Japan in accordance with US hegemonic principles.[85]

Mlada Bukovansky supports Ikenberry and Kupchan's analysis of legitimacy. Like many of the previously discussed theorists of hegemony, Bukovansky argues that material power by itself does not lead to international preponderance, and that cultural conditions such as shared norms are also important.

> The existence of a dominant form of legitimate authority in the international system is a feature of its culture, and that culture is a feature of its structure. The existence of a dominant form of legitimate authority thus indicates the presence of hegemony in the system. In my use of the term, hegemony does not simply signify the presence of a preponderantly powerful state; rather, it signifies the existence of a dominant form of legitimate authority.[86]

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82 Ikenberry and Kupchan, "The Legitimation of Hegemonic Power", p. 55.

83 Multilateralism is "the tendency for functional aspect of international relations, such as security, trade or environmental management to be organized around large numbers of states, or universally, rather than by unilateral state action." See John Baylis and Steve Smith, *The Globalization of World Politics: An Introduction to International Relations*, Oxford, Oxford University Press, 2001, p. 637.

84 The Bretton Woods system was established to create a secure international economic environment for post-World War II recovery. This meant that all currencies would be fixed to a constant value of US$35 to an ounce of gold stable exchange rate. There are three main institutions to the Bretton Woods system: the International Monetary Fund (IMF); the International Bank for Reconstruction and Development (IBRD), which later became the World Bank; and also the International Trade Organization (ITO). One element of the ITO later became the General Agreement on Trade and Tariffs (GATT). The International Monetary Fund was established at the Bretton Woods Conference in 1944 with the aim of ensuring the smooth running of this currency exchange system, and also the provision of emergency assistance when states face balance of payment crises. The IBRD was also founded at the Bretton Woods conference in order to foster reconstruction in war-torn and developing countries. The GATT was established in 1947 as a forum for negotiations on trade liberalisation. See "The IMF and the World Bank", *International Monetary Fund Website*, http://www.imf.org/external/np/exr/facts/imfwb.htm, accessed 15 December 2005, Eric Helleiner, *States and the Reemergence of Global Finance: From Bretton Woods to the 1990s*, Ithaca, Cornell University Press, 1994.

85 Ikenberry and Kupchan, "The Legitimation of Hegemonic Power", p. 56.

86 Bukovansky, *Legitimacy and Power Politics*, p. 8.

This study of US hegemony in the context of US-Japan relations acknowledges that legitimacy is an important consideration for a hegemon when exercising effective control over the international system, and that the United States does indeed use elements of its power that go beyond material preponderance. However, these theories are essentially all explanations of hegemonic power, and little emphasis is placed on how the subordinate states might actually perceive this system. Ikenberry and Kupchan argue that socialisation encourages states to go beyond a simple change of policies brought about by coercion and inducements, and to take on the hegemonic norms and values as their own. However, it is difficult to conclude whether subordinate states have, or have not, taken on hegemonic norms as their own based on theories that ultimately focus on the nature and exercise of power as seen by the hegemon of an international system. Therefore, given that this thesis is a study of Japanese autonomy within US hegemony, and not one of US power, it is also necessary to expand the investigation of hegemony beyond theories that focus on great powers in order to greater understand Japan's perspective.

Theory of Hierarchy

The discussion now turns to David C. Kang's theory of hierarchy in the international relations of Asia in order to explore theories that go beyond hegemon-focused international relations. Kang argues that the perception of Asia as being "ripe for rivalry", because of its lack of formal multinational economic and security institutions, is actually based on Western-centric views of international relations.[87] In contrast, Kang claims that international relations in Asia have traditionally been hierarchical in nature and therefore that states within the region perceive security and international relations differently:

> ...Asian international relations emphasized formal hierarchy among nations, while allowing considerable informal equity. Consisting of China as the central state, and the peripheral states as lesser states or "vassals," as long as hierarchy was observed there was little need for interstate war. This contrasts sharply with the western tradition of international relations that consisted of formal equality between nation-states, informal hierarchy, and almost constant interstate conflict....[88]

While his theory of hierarchy is based on the Chinese tributary system, Kang does not necessarily perceive the central power as being either China or Japan in the case of Japan's international relations. Instead, he positions the United States as the central

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87 Kang, "Hierarchy and Stability", p. 164.

88 Kang, "Hierarchy and Stability", p. 164.

power in modern Japan's worldview. Kang's theory is essentially realist in nature, but he modifies it by "explicitly [recognising] that nation-states are not equal when acting on the world stage."[89] He also presents "a hypothetical middle path that involves a central power that still operates in anarchy, but does not cause other nations to balance against the largest power in the system, and does not fold them under its wing in empire."[90] He argues that, unlike realist theories that often predict that alliances are formed to balance the central power, hierarchy induces greater incidents of the subordinate states bandwagoning with the central power for profit. It is thus a realist view of international relations with an additional variation that recognises a "pecking order that is known by all states" and Kang argues that, as long as this order is acknowledged, stability is maintained.[91]

Kang explicitly distinguishes hierarchy from hegemony. He argues that his conception of hierarchy is unlike hegemony because "hegemony is more intrusive"[92] in the domestic politics and other policies of vassal states. He also maintains that his theory of hierarchy is more effective in explaining international relations in Asia because it "is more concerned with the interaction of states up and down the hierarchy"[93] than with a strong focus on a single hegemonic power, and recognises "substantial autonomy and freedom among the lesser states".[94] Lesser states have greater freedom under hierarchy, because there are costs involved in the central power conquering them, but equilibrium is maintained because they know that opposing the central power would be unachievable, given the inequalities in power.[95] Kang argues that "as long as the lesser states acknowledge the unrivalled position of the central state, the central state respects the autonomy and sovereignty of the lesser states."[96] In this sense hierarchy, too, is maintained by recognition of the central power's preponderance, and is therefore a legitimacy and consent-based order.

Kang also specifically applies his theory to Japan, and criticises two conventional realist assumptions that are often conflated in International Relations literature—the "Great Power Hypothesis", which assumes that Japan is so rich and its economy so

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89 Kang, "Hierarchy and Stability", p. 166.
90 Kang, "Hierarchy and Stability", p. 166.
91 Kang, "Hierarchy and Stability", p. 168.
92 Kang, "Hierarchy and Stability", p. 166.
93 Kang, "Hierarchy and Stability", p. 166.
94 Kang, "Hierarchy and Stability", p. 166.
95 Kang, "Hierarchy and Stability", p. 166.
96 Kang, "Hierarchy and Stability", p. 168.

large that it will soon want to re-emerge as a great power, and the "Umbrella Hypothesis", which argues that if or when the United States leaves Japan, it will rearm and become a normal power. He reasons that such realist thinking does not accommodate the potential for Japan to "be a normal great power and yet sit under the U.S. security umbrella",[97] but at the same time argues that it has not done so because it forms part of a hierarchical international system and has no need or intention to challenge the United States or China.[98]

There are shortcomings to Kang's theory in that he assumes that Asia has not progressed from fourteenth century international relations, and falls into the very trap that he himself criticises, namely the exoticisation of Japanese or Asian culture—which assumes that, given its cultural differences, its foreign policy is therefore inherently dissimilar. In particular, given that Japan has been conducting Westphalian modes of diplomacy for nearly two centuries, it is unlikely that the Asian culture explanation of international relations in Asia can totally explain a perception of hierarchy. However, if this culturalist aspect is removed from the argument—and replaced with the unique political culture of Japan's subordination under US hegemony stemming from its spectacular defeat in the Second World War—the principles of hierarchy can still be upheld.

Moreover, Kang's assertion that vassal states bandwagon with the central power for profit is also problematic. Theories of bandwagoning suggest that weaker states will enter into alliances with those states that pose the strongest threat in order "to avoid an attack on himself by diverting it elsewhere" or "to share the spoils of victory".[99] While the "opportunistic aspects of bandwagoning"[100] may indeed be true, it implies that the weaker state only calculates to benefit from the position of the stronger, without the weaker state being of great use to the stronger state in the alliance. Without doubt, Japan stands to benefit from being part of the US-Japan alliance and participating in the international political and economic system that the United States has led since 1945, but the alliance is also geo-strategically important for the United States and helped to finance US defence policies during the 1980s.[101] The US-Japan relationship is therefore

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97 Kang, "Hierarchy and Stability", p. 174.

98 Kang, "Hierarchy and Stability", p. 177.

99 Stephen M. Walt, "Alliance Formation and the Balance of World Power", *International Security*, vol. 9, no. 4, Spring 1985, pp. 3–43, p. 8; Randall L. Schweller, "Bandwagoning for Profit: Bringing the Revisionist State Back In", *International Security*, vol. 19, no. 1, Summer 1994, pp. 72–107, p. 74.

100 Schweller, "Bandwagoning for Profit", p. 75.

101 This will be discussed in greater detail in Chapter Two.

more symbiotic than assumed in bandwagoning theories, and this aspect is not encapsulated in Kang's theory.

Despite Kang arguing that his theory is quite different from hegemony, it nonetheless imparts significant insights into this chapter when considering the concept of hegemony in the context of US-Japan relations. The compatibility of hegemony and hierarchy is defended by Jack Donnelly in his discussion of sovereign inequalities and hierarchy within anarchy. He categorises hegemony as being a form of hierarchy, and defines hegemony as "[involving] a single preponderant state exercising hierarchical control over a state or, usually, a group of states".[102]

Kang's hierarchy theory is particularly useful in acknowledging that states on similar sides of an alliance (like the US-Japan alliance) or federation (like the Western and communist blocs during the Cold War) can be of unequal power in international relations, but at the same time the autonomy of lesser states can be maintained under a central power. As an extension of this argument, Kang's theory also supports the possibility for rearmament and other greater exercises of material power by Japan while still remaining under the influence of the United States. Kang's argument also includes elements of legitimacy in that, "as long as the lesser states acknowledge the unrivalled position of the central state, the central state respects the autonomy and sovereignty of the lesser states."[103]

In summary, this section adopts Keohane and Nye's definition of hegemony at the outset, as a situation when "one state has a preponderance of material resources"[104] and "is powerful enough to maintain the essential rules governing interstate relations, and willing to do so"[105]. However, a central focus of this chapter on hegemony is whether the various theories explain or include the perceptions of subordinate states. The subordinate states' view of hegemony is particularly important, because it influences its identity, interests and, consequently, its foreign policy actions and pursuit of autonomy. In other words, a state's view of hegemony influences its perceptions of autonomy. Establishing this relationship between hegemony and autonomy is crucial in arguing that Japan's autonomy is more limited under US hegemony than is suggested by International Relations theory. In comparison to realist, liberal and Gramscian theories,

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102 Jack Donnelly, "Sovereign Inequalities and Hierarchy in Anarchy: American Power and International Society", *European Journal of International Relations*, vol. 12, no. 2, pp. 139–70, p. 156.

103 Kang, "Hierarchy and Stability", p. 168.

104 Keohane, *After Hegemony*, p. 32.

105 Keohane and Nye, *Power and Interdependence*, p.44.

Kang's theory in particular portrays the subordinate perspective well, and further explains how autonomy of action is possible in unequal power relationships. Therefore, a perception of hegemony closer to hierarchy is adopted in this study to explain Japan's world view and foreign policy patterns.

Autonomy in International Relations Theory

With the importance of varying perceptions of hegemony in mind, the next section of the chapter continues the investigation on limited and restricted autonomy and discusses the similarities and differences in the descriptions of sovereignty and autonomy made by prominent International Relations theorists concerning different historical periods. In International Relations, state behaviour and sovereignty are particularly pertinent to the understanding of the meaning of autonomy. From the literature on sovereignty, it is possible to derive what is expected of a sovereign state and, as a consequence, what expectations of autonomy are attached to sovereign states when pursuing foreign policy.

Kang's theory of hierarchy enabled greater autonomy of the subordinate states under a system with a strong central power. This is precisely the kind of autonomy central to this study. To investigate this concept further and compare it to existing theories, the discussion now focuses on autonomy in the context of hegemony and the two perceptions of the hegemonic international order discussed in the previous section. The purpose of this section is to decipher how autonomy is perceived in International Relations theory in order to assess whether existing definitions are useful when answering the broader question of autonomy in Japanese foreign policy. The following section on autonomy therefore discusses and evaluates theories of sovereignty so as to deduce evaluations of autonomy in International Relations theory.

Autonomy as *an end or a goal* is when peoples aspire for sovereign statehood in the anticipation that it will lead to greater independence over their internal and external affairs.[106] However, the autonomy concerned in this study is not autonomy as an ends, but rather autonomy as *a tool of the state* that enables an already sovereign country to pursue its interests and goals. Autonomy as a tool is defined in International Relations theory as the principle and the liberty of a state, which enables it to exercise control over its allocation of resources and choice of government[107] and to determine the

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[106] This notion is most evident in self-determination movements. Gerard Kreijen (ed.), *State, Sovereignty, and International Governance*, Oxford, Oxford University Press, 2002, p. 70.

[107] Wendt, *Social Theory of International Relations*, pp. 235–36.

conditions of their own affairs, so long as it does not negate the rights of other states.[108] It is intrinsically tied to notions of legal and actual state independence, and it is commonly associated with the promise of independence, independent policies, and freedom of action in international politics.

However, formal independence or sovereignty does not necessarily guarantee autonomy. In order to locate where ambiguities of the concept emerge, understand why this occurs, and investigate how this affects conceptions of autonomy, the theories will be broadly grouped into rationalist and non-rationalist theorists. In this instance, rationalist theory does not refer to the Grotian concept of rationalism, where particular attention is paid to the ways in which the sense of belonging to a community has had a stabilising effect on international relations.[109] Rather, the concern here is with "theories that are explicitly informed by the assumptions of rational choice"[110] —in other words, theories that are derived from rational choice theory which assume actors are "rational" and objectively calculate preferences, options and outcomes in international relations.

Rational choice theory originated in economic theory, which was then applied to political science and subsequently spread to other areas of social science, including International Relations.[111] It was assumed that a comparison between economic man and political man could be made because "the average individual acts on the basis of the same over-all value scale when he participates in market activity and in political activity."[112] Its five main assumptions are that rational action of an individual entails utility maximisation; an individual's options and interests can be ordered; each individual maximises their interests under conditions of uncertainty; the main maximising agents are individuals; and this model applies equally to all individuals.[113]

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108 Held, *Democracy and the Global Order*, p. 147.

109 The connection between law and morality among states and natural law stems from the fact that "a clearly perceived distinction between individual and state personality" did not exist in Grotius' time. (A. Claire Cutler, "The 'Grotian tradition' in international relations", p. 46). Furthermore, the fact that a state is made up of multiple individuals also indicates that the individual is ultimately the referent of moral and legal protection. For a full discussion on Grotian thought and morality, see A. Claire Cutler, "The 'Grotian tradition' in international relations", *Review of International Studies*, vol. 17, no. 1, 1991, pp. 41–65.

110 Christian Reus-Smit, "Constructivism", in Scott Burchill, Richard Devetak, Andrew Linklater, Matthew Paterson, Christian Reus-Smit, and Jacqui True, *Theories of International Relations*, Basingstoke, Palgrave, 1995, pp. 209–30, p. 209.

111 Donald P. Green and Ian Shapiro, *Pathologies of Rational Choice Theories: A Critique of Applications in Political Science*, New Haven, Yale University Press, 1994, p. 2.

112 James Buchanan and Gordon Tullock, *The Calculus of Consent*, Ann Arbor, University of Michigan Press, 1962, p. 20.

113 Green and Shapiro, *Pathologies of Rational Choice Theories*, pp. 14–17.

Rationalist theories under discussion here are those of realists (Stephen D. Krasner and Kenneth N. Waltz) and liberal institutionalists (Robert O. Keohane), which are then contrasted to critical theorist David Held's theory of autonomy and nautonomy. While there are differences in the degree to which they are employed, the foundations on which these theories are based all reflect the crossover of rational choice theory into International Relations theory. The five foundations are that states seek to maximise their power in international relations; states have a hierarchy of interests; interests are pursued in a context of anarchy; states are the main actors in international relations; and this model applies equally to all states. Both Robert Gilpin and Kenneth Waltz draw heavily on micro-economic theory and its assumptions of rational choice. While neo-liberal institutionalists argue that states can choose to pursue *absolute* gains rather than *relative* gains (as realists presume), they do not depart from rational-choice assumptions made in neo-realist theory and its variants.

The application of models used for individual actors onto state actors is further examined in this section in David Held's analysis of autonomy. While Held's theory does not deal with international relations per se, his examination of the autonomy of individual actors in a democratic civil society draws useful parallels in thinking about state autonomy. Rationalist International Relations theory is then challenged through the examination of non-rationalist theorists such as Gramscian and critical theorists (Robert W. Cox, R.B.J. Walker, and Cynthia Weber) and constructivists (Alexander Wendt) and also through Chalmers Johnson and E.B. Keehn's critical assessment of rational choice theory in studying Asian states.

Rationalist Theories on Sovereignty

Rationalist theorists use the concept of autonomy almost synonymously with sovereignty, particularly Westphalian sovereignty. Stephen D. Krasner identifies the norm of Westphalian sovereignty as a system where "states exist in specific territories within which domestic political authorities are the sole arbiter of legitimate behaviour."[114] Sovereignty is divided into the internal and external realms, which signifies that Westphalian sovereignty stipulates the supreme authority of the state within its territory, and immunity from external interference:

> ...in the context of the internal structure of a political society, the concept of sovereignty has involved the belief that there is an absolute political power within

[114] Stephen D. Krasner, *Sovereignty: Organized Hypocrisy*, Princeton, Princeton University Press, 1999, p. 20.

> the community. Applied to the problems which arise in the relations between political communities, its function has been to express the antithesis of this argument – the principle that internationally, over and above the collection of communities, no supreme authority exists.[115]

Krasner situates autonomy at the core of Westphalian sovereignty and, therefore, when he argues the "compromise of Westphalia",[116] he is also arguing the compromise of autonomy.

Similar understandings of sovereignty permeate other rationalist theories of International Relations.[117] For example, although Kenneth N. Waltz makes no specific or detailed discussion of autonomy, sovereignty and autonomy are mentioned together in his discussion of political units in international relations. Central to Waltz's theory of international relations are political "like units" that are autonomous actors. Waltz argues that "to call states 'like units' is to say that each state is like all other states in being an autonomous political unit. It is another way of saying that states are sovereign."[118] In other words, Waltz refers to autonomy here to indicate sovereignty—that states are independent entities in the international system. Therefore, it can be argued that Waltz interprets sovereignty as the "independence and freedom of choice" for the state to choose how it deals with situations within the restrictions of Westphalian sovereignty and the power balances of the anarchic international system. If autonomy is another word for sovereignty, in Waltz's words, then it follows that this definition of sovereignty stands also for autonomy.

This, however, does not imply that these theorists are blind to the realities of international politics. In practice, examples abound of states at least partially surrendering their autonomy.[119] Some states have allowed a hegemon to play a leading

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115 Francis Henry Hinsley, *Sovereignty*, second edition, Cambridge, Cambridge University Press, 1986, p. 158.

116 Krasner, "Compromising Westphalia", pp. 115–51.

117 It must be noted that rationalist theories are not the only theories which subscribe to this particular definition of sovereignty. E.H. Carr does not write specifically on autonomy, but contributes to its conceptualisation through his discussion of sovereignty. However, this discussion does not centre on the nature of state sovereignty and its functions. Because he writes in the context of the First and Second World Wars, territorial expansion and empire are his predominant concerns and, in this context, he describes sovereignty as being "the independent character of authority claimed and exercised by states which no longer recognised even the formal overlordship of the Empire". In other words, sovereignty in this case is in relation to self-determination from imperialist powers. E.H. Carr, *The Twenty Years' Crisis 1919–1939: An Introduction to the Study of International Relations*, London, Macmillan Press, 1995, p. 212. English School theorists, such as Hedley Bull, have similar conceptions of state sovereignty. See Bull, *The Anarchical Society*, p. 8–9; Wight, *International Theory: The Three Traditions*, New York, Holmes and Meier, 1992, p. 1.

118 Kenneth N. Waltz, *Theory of International Relations*, Reading Massachusetts, Addison-Wesley, 1979, p. 95.

119 For example, during the Cold War, both the Soviet Union and the United States were involved in intervening in the internal affairs of their respective blocks to remove counterrevolutionary forces

part in their foreign relations, as exemplified by the US-Japan example. One of the most prominent rationalist theories to consider limits to autonomy has been neo-liberal institutionalism. Neo-liberal institutionalists argue that increased interdependence has often meant that states cannot formulate their policies without taking other states' interests into account. One of its chief exponents, Robert Keohane, believes that "[s]overeignty no longer enables states to exert effective supremacy over what occurs within their territories: Decisions are made by firms on a global basis, and other states' policies have major impacts within one's boundaries."[120]

Under such circumstances where internal sovereignty is greatly compromised, the institution of state sovereignty is not simply a characteristic of political units in an anarchic environment. Rather, sovereignty itself becomes an important institution and tool infused with mutual values that can foster the pursuit of state interests such as the maintenance of rules, extension of power, and appropriation of wealth in a co-operative manner. Keohane's main argument is that state supremacy in a given territory—in other words, internal sovereignty—can no longer be absolutely guaranteed in an increasingly interdependent world, but that sovereignty continues to be an important institution that provides "states with a legal grip on an aspect of a transnational process, whether involving multinational investment, the world's ecology, or the movement of migrants, drug dealers, and terrorists. *Sovereignty is less a territorially defined barrier than a bargaining resource for politics characterized by complex transnational networks.*"[121] This statement also suggests that it is more useful and accurate to perceive autonomy too as being less defined by sovereignty and state territorial boundaries.

Robert Gilpin has noted this by saying that hegemonic systems, in which a "single powerful state controls or dominates the lesser states in the system,"[122] have persisted throughout history. Consequently, in these situations, sovereignty does not guard autonomy as comprehensibly as assumed in realist theory. However, while realists still place great emphasis on the primacy and autonomy of the state, they are also aware of

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and "unacceptable" governments. See Robert A. Jones, *The Soviet Concept of 'Limited Sovereignty' from Lenin to Gorbachev: The Brezhnev Doctrine*, London, Macmillan, 1990, p. 212. Also see Roy Allison, *Finland's Relations with the Soviet Union, 1944–1984*, London, Macmillan, 1985 for a detailed account of Soviet intervention in Finland's internal sovereignty and autonomy, and Latin America Bureau, *Honduras: State for Sale*, London, Latin America Bureau, 1985 on US involvement in Honduras' limited national sovereignty.

120 Robert O. Keohane, "Hobbes's Dilemma and Institutional Change in World Politics", in Hans-Henrik Holm and Georg Sørensen (eds.) *Whose World Order? Uneven Globalization and the End of the Cold War*, Boulder, Westview Press, 1995, pp. 165–86, pp. 176–77.

121 Keohane, "Hobbes's Dilemma and Institutional Change in World Politics", p. 177.

122 Gilpin, *War and Change in World Politics*, p. 29.

the fact that "total autonomy" cannot always be guaranteed through sovereignty. Waltz makes distinctions on what sovereignty is clearly not, which alludes to his perceptions of state autonomy and his awareness that the two concepts are often confused:

> To say that states are sovereign is not to say that they can do as they please, that they are free of others' influence, that they are able to get what they want. Sovereign states may be hardpressed all around, constrained to act in ways they would like to avoid, and able to do hardly anything just as they would like to. The sovereignty of states has never entailed their insulation from the effects of other states' actions. To be sovereign and to be dependent are not contradictory conditions. Sovereign states have seldom led free and easy lives. What then is sovereignty? To say that a state is sovereign means that it decides for itself how it will cope with its internal and external problems, including whether or not to seek assistance from others and in doing so to limit its freedom by making commitments to them. States develop their own strategies, chart their own courses, make their own decisions about how to meet whatever needs they experience and whatever desires they develop.[123]

Accordingly, Waltz argues here that sovereignty does not equate to autonomy. Hans J. Morganthau, who is not essentially a rationalist theorist but a classical realist, observes like Waltz that some international treaties, such as peace treaties after wars, can have substantial restrictions for states, "with regard to size and quality of the military establishments, armaments, fortifications, reparations, economic policies, and the conduct of foreign affairs in general".[124] These states do not necessarily lose their sovereignty, but the autonomy of a state can be significantly restricted under international law. Similarly, the dependence of one state on another in political, military and economic issues can "make it difficult or impossible for certain nations to pursue independent domestic and foreign policies,"[125] but it does not normally alter the state's internal sovereignty, that is the state's supreme authority to enforce law within its own territory.

Morganthau's observation contradicts Waltz's discussion of Japan's position in international relations raised in the introduction. Waltz argues that Japan's economic and technological capabilities *will* enable it to develop military capabilities as it pleases and get what they want,[126] despite its interdependent relationship with the United States in political, economic and security matters. The problem of this argument relates back to the flaw in rationalist theories which assume states have the autonomy to translate

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123 Waltz, *Theory of International Relations*, p. 96.

124 Hans J. Morganthau, *Politics Among Nations: The Struggle for Power and Peace*, fifth edition, New York, Alfred A. Knopf, 1973, p. 311.

125 Morganthau, *Politics Among Nations*, pp. 311–12.

126 Waltz, "Emerging Structure of International Politics", p. 66, and "Structural Realism after the Cold War", p. 34.

material wealth into military power and that it is merely a matter of choice whether or not they do this. These issues indicate that, in reality, not all states are equal under international law in all circumstances as proponents of anarchy based theorists like to assume.

The problem here is that, by assuming that states can, and do, rationally pursue their interests, rationalists unwittingly end up reinforcing the narrow notion of sovereignty that assumes autonomy as a strong part of sovereignty. Waltz's statement above, which asserts that "a state is sovereign means that it decides for itself how it will cope with its internal and external problems, including whether or not to seek assistance from others and in doing so to limit its freedom by making commitments to them" is, in fact, a reassertion of state autonomy. In other words, the rationalist choice approach assumes that, provided a state possesses adequate power to do so, it has access to and can execute perfect autonomy. It can therefore also "rationally" choose to maximise its interests by electing to relinquish its autonomy, and can just as freely reassert its autonomy according to its interests.

Chalmers Johnson and E.B. Keehn raise this point when arguing the unsuitability of theories based on rational choice theory for understanding Japanese politics. Johnson and Keehn reason that rational choice based theories "seek explicitly to replace the concept of 'culture' with 'a core set of *human* interests and beliefs that constitutes the basis for much behavior [and] around which cultural variations rotate'"[127] In other words, in rational choice models, these "rules" are objective and static facts "that have no life of their own but simply exist to channel behaviour in ways consistent with individual preferences". [128] Furthermore, rational choice theories fail to realise that their generalisations of "human" interests as "the rules of the game" are actually over-generalisations based on the Anglo-American "West".[129] Johnson and Keehn argue that these biases make rational choice-based theories not only ahistorical, but lacking in the cultural and social contexts in which actors find themselves and how this affects their actions.[130]

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127 Chalmers Johnson and E.B. Keehn, quoting Daniel Little, "Rational-Choice Models and Asian Studies" *Journal of Asian Studies*, February 1991,vol. 50, no. 1, pp. 35–52, p. 41 in "A Disaster in the Making: Rational Choice and Asian Studies", *The National Interest*, issue 36, Summer 1994, pp. 14–22, p. 15.

128 Johnson and Keehn, "A Disaster in the Making", p. 16.

129 Johnson and Keehn, "A Disaster in the Making", p. 15.

130 Johnson and Keehn, "A Disaster in the Making", p. 18.

The observations of both Johnson and Keehn not only apply to Japanese domestic politics, but also to any analysis of Japanese foreign policy. While some of the more moderate rationalist International Relations theories, such as liberal institutional theory, do have persuasive arguments, their weakness overall is that they assume all states will act in certain set ways under anarchy. However, as the discussion in the Introduction has demonstrated, Japanese foreign policy does not always fit this model and is consequently labelled as an "anomaly" when, in fact, it is only "abnormal" because other factors more important in understanding Japanese foreign policy, such as hegemony, are excluded from the picture.

In summary, while realists and liberal theorists maintain that autonomy and sovereignty should be considered separate, they tend to equate sovereignty with autonomy. This is due to a bias in rationalist theory which assumes the equality of sovereign states in international relations, and that states are actors that rationally pursue their interests, often defined in terms of survival. They "use their powers to create social and political institutions that they believe will advance their interests."[131] The difference between the realists and liberal theorists is the degree to which autonomy is assumed to be a part of sovereignty, and the outcomes of rational choice. Liberal theories recognise that state supremacy in a given territory is not absolute in an increasingly interdependent world, but that sovereignty continues to be an important institution that is a resource for dealing with transnational issues. [132] Liberal theories therefore demonstrate greater awareness of restrictions in state autonomy than realists. Furthermore, realists argue that the outcome of the choice rational actors make reflects self-interest, whereas liberal theorists maintain that it reflects a consciousness of shared goals, values or norms. However, in either case, the problem lies in the fact that rationalists assume states can and do rationally pursue their interests. Firstly, this assumption unwittingly reinforces the narrow notion of sovereignty that assumes autonomy as a strong part of sovereignty, and secondly, as Johnson and Keehn argue, rationalist theory inadvertently reinforces Anglo-American Western biases which diminish the utility of these theories in explaining non-Western phenomena such as Japanese politics and Japanese foreign policy.

How, then, can Japan's autonomy within the US hegemonic system be adequately explained? It would seem that two steps are essential: first, to move beyond rigid

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131 Gilpin, *War and Change in World Politics*, p. xi.

132 Keohane, "Hobbes's Dilemma and Institutional Change in World Politics", p. 177.

conceptions of autonomy by decoupling sovereign from autonomy; and second, to adopt different theoretical perspectives from traditional rationalist theories.

Autonomy and Nautonomy

The dominance of the rationalist approach and its biases, particularly as seen in the notion of the rational state actor, can be placed in better perspective when compared to Held's accounts of the individual actor in political philosophy. The previous section demonstrated how autonomy is excluded as a subject of substantial discussion through the implicit assumption of autonomy within sovereignty in rationalist International Relations theory; however, autonomy is discussed at some length in political philosophy.[133] Furthermore, the language of sovereignty and independence of the state in International Relations strongly resembles the autonomy of the rational individual in the context of the rational individual pursuing autonomy through equal membership (citizenship) in a pluralistic political environment—for example, freedom from intervention, freedom of association, and the equality of states under international law. These all have equivalents at the individual-society level, which suggests that a crossover of ideas has occurred from the tradition of political philosophy.[134]

This part of the discussion draws on David Held's analysis of sovereignty and autonomy. Held's primary concern is reassessing the effectiveness of democracy in the contemporary international context, and he therefore deals with sovereignty and autonomy at the level of the individual in a political community. In his discussion, Held clearly differentiates between the two concepts and offers valuable insights to elucidate what autonomy requires and what restricts it.

Held describes autonomy as the principle that enables the freedom and equality of individuals to determine the conditions of their own lives, so long as it does not negate the rights of others.[135] He defines it as "the capacity of human beings to reason self-consciously, to be self-reflective and to be self-determining. It involves the ability to act, in principle, as the author or maker of one's own life, in public and private realms."[136] In other words, autonomy is conceptualised as a means that should enable "members of a political community—citizens...to choose freely the conditions of their own

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133 For this point, see Held, *Democracy and the Global Order*.

134 For a further discussion of analogies between people and states, see Alexander Wendt, "The State as Person in International Theory", *Review of International Studies*, vol. 30, 2004, pp. 289–16.

135 Held, *Democracy and the Global Order*, p. 147

136 Held, *Democracy and the Global Order*, p. 151.

association,"[137] and that these autonomous choices should ultimately determine the form and direction of their polity.[138] It is consequently seen as being a positive development of Western democratic culture, and it assumes that the rational individual is empowered by autonomy, and that this generates equality of all members of society; yet it is also restrictive in the name of the common good.[139]

What is then required in achieving autonomy for citizens? Clues lie in Held's analysis of situations where the individual's capacity to pursue autonomy is denied, which he calls "nautonomy". By understanding the situation surrounding the restriction of autonomy, it is possible to elucidate the specific circumstances in which autonomy can be achieved.

Held describes nautonomy and the environment surrounding it in this way:

> Where relations of power systematically generate asymmetries of life-chances they may create a situation which can be called 'nautonomic'. Nautonomy refers to *the asymmetrical production and distribution of life-chances which limit and erode the possibilities of political participation*. By life-chances, I mean the chances a person has of sharing in the socially generated economic, cultural or political goods, rewards and opportunities typically found in his or her community (see Giddens, 1980, pp. 130–31). Nautonomy refers to any socially conditioned pattern of asymmetrical life-chances which places artificial limits on the creation of a common structure of political action.[140]

In such situations, autonomy under democracy becomes the privilege of those who have access to a diverse range of resources, from the material (wealth and income) through to the coercive (organised might and the deployment of force) and to the cultural—concepts and discourses which mould interpretative frameworks, tastes and abilities.[141] In other words, just as formal sovereignty does not necessarily guarantee external sovereignty and autonomy in international relations, under nautonomic structures people can *formally* be free and equal members of the community, but are not guaranteed the rights which shape and facilitate a common structure of political action that safeguard their interests.[142]

Held sees the main cause of nautonomic structures as when the individual has restricted access to what he calls the seven sites of power. The sites of power are the institutions or interactional contexts in and through which power operates and enables

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137 Held, *Democracy and the Global Order*, p. 145.
138 Held, *Democracy and the Global Order*, p. 145.
139 Held, *Democracy and the Global Order*, p. 205.
140 Held, *Democracy and the Global Order*, p. 171.
141 Held, *Democracy and the Global Order*, p. 171.
142 Held, *Democracy and the Global Order*, p. 172.

people autonomy. These seven sites are the body (or health), welfare, culture, the sphere of civic association, the economy, organisation of violence, and regulatory and legal institutions.[143] Structural biases embedded within a number of the sites cause restricted or asymmetric access amongst individuals, rendering them less power, and therefore less autonomy. In other words, "[a]utonomy is, in short, structured through power."[144]

Held recognises that ultimate autonomy is not achievable for all in any one community. However, unlike the rationalist International Relations theorists, he expands on this point and more clearly identifies the difference between "ideal" and "attainable" autonomy, and argues within the inequalities that may exist in reality, it only becomes critical "to the extent that it bears on participative possibilities and enables or restricts autonomy...the pursuit of democratic autonomy is not to be conflated with the pursuit of equality *per se*; it is the pursuit of equal participative opportunities."[145] "Attainable" autonomy requires that the citizen has access to basic (or what Held describes as intermediate) needs, such as property and goods, services and activities (drinking water, nutritional food, appropriate housing, health care, adequate education and economic security) so that they can fully participate in their political community and have a *rightful share* of the process of governance. Held suggests that "attainable autonomy" can be conceived in terms of the "best practice" or "highest standard" presently achieved in any political community, either within or without a state, which can become policy goals within and across sites of power.[146]

Held's arguments are based on critical theory, and his discussion of autonomy involves a more obviously separate notion of sovereignty and autonomy in comparison to the other rationalist theories discussed above. This can be attributed to the differences between individuals and states as central units of analysis. The individual is not territory, which makes for easier recognition of sovereignty and autonomy as separate concepts. In the case of the rational individual in society, sovereignty in the very basic sense might be analogous to the living human being. For an individual to be bound to slavery or other means of physical constraint might be described as a nautonomic situation. However, while an individual is alive, if one follows the logic of rational choice, it has the opportunity to use autonomy as a means and a goal to determine the condition of their lives. However, this distinction between sovereignty and autonomy is less clear

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143 Held, *Democracy and the Global Order*, pp. 176–85.
144 Held, *Democracy and the Global Order*, p. 185.
145 Held, *Democracy and the Global Order*, p. 208.
146 Held, *Democracy and the Global Order*, p. 213.

when applied to states, because of the element of territoriality. A state can lose its sovereignty and therefore not officially exist, but the territory it used to occupy and the people who inhabit it do not disappear. Therefore, in the case of the state, it can lose sovereignty, but can still have the potential to strive for and realise autonomy. While the characteristics of the individual and the state are different in this case, the differences are not such that it negates the usefulness of Held's theory. In fact, it is this difference that draws greater attention to the need to separate autonomy and sovereignty, and also indicates positively the potential to do so.

In addition to this, Held's theory also holds utility by drawing focus on to varying degrees of autonomy. Held's discussion demonstrates greater recognition of differing degrees of autonomy than in International Relations theory through the notion of "ideal" and "attainable" autonomy. Ideal autonomy for Held denotes freedom and equality of individuals to determine the conditions of their own lives based on the capacity of human beings to reason self-consciously, to be self-reflective and to be self-determining. However, due to power distributions and limited access to power, Held recognises that this ideal cannot always be achieved for all citizens and, therefore, "attainable autonomy" (that is, the basic rights to participate in a political community) becomes a crucial factor in realistically practising autonomy. In other words, attainable autonomy signifies autonomy as a means to achieving the goal of ideal autonomy.

Held's idea therefore provides a foundation to put forward a more sophisticated account of state autonomy within International Relations theory. He successfully demonstrates that sovereignty and autonomy can be dealt with separately and that the rigid conceptualisation of autonomy as described particularly by the realists needs to be questioned. In his recognition of relative degrees of autonomy as epitomised in the notions of "ideal" and "attainable" autonomy, Held argues that there is a need to identify differing degrees of autonomy. His discussion of ideal autonomy, attainable autonomy and autonomy also presents a basis to contemplate autonomy under structural restrictions.

Non-rationalist Theories and Autonomy

Recognising the relativity of autonomy does not mean a return to Krasner's famous assertion that sovereignty is merely "organised hypocrisy". Krasner argues that Westphalian sovereignty has been compromised throughout its history in line with the national interests of states under a system of anarchy, and therefore perceives it as a

norm with very little substance: it is instead a flexible concept that can be used or abandoned according to state interests.

> Westphalian and international legal sovereignty have always been violated...Westphalian and international legal sovereignty are best understood as examples of organized hypocrisy. At times rulers adhere to conventional norms or rules because it provides them with resources and support (both material and ideational). At other times, rulers have violated the norms, and for the same reasons. If rulers want to stay in power and to promote the security, material and ideational interests of their constituents, following the conventional practices of Westphalian and international legal sovereignty might or might not be an optimal policy.[147]

While putting forward an interesting case that questions the often reified notion of sovereignty, Krasner's argument is not without its weaknesses. The most important of these is that, while successfully demonstrating that the Westphalian sovereignty of the state has been subject to much compromise, Krasner is far less effective in showing why this norm matters in the first place. If rules are broken, this does not mean that they are invalid, or do not exist. As Daniel Philpott argues, "the notion of [compromising sovereignty] makes sense only if there are states that other states think are entitled to sovereignty in the first place"[148]; in other words, Krasner fails to recognise that Westphalian sovereignty is a constitutive norm.

This suggests a crucial point: in an international system where sovereignty is regarded as a constitutive norm (in spite of the many compromises which Krasner points out), there is then the distinctive possibility that perceptions of it varies from state to state. Krasner perhaps unintentionally reinforces this point when he demonstrates that a state can *voluntarily* enter into a contract in which its sovereignty is compromised.[149] Furthermore, this also raises the likelihood that different states may hold different conceptions and definitions of autonomy.

However, conventional rationalist theories are ill-equipped to deal with this potential variation. Gramscians and the critical theorist Cox also have a very different emphasis in their theory of international relations and differing perceptions of the role of theory itself compared to rationalists. Cox famously argued that "[t]heory is always *for* someone and *for* some purpose"[150] and therefore contains ideological biases, which was pointed out by Johnson and Keehn. Problem-solving theories of the rationalists,

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147 Krasner, *Sovereignty: Organized Hypocrisy*, p. 24.

148 Philpott, "Usurping the Sovereignty of Sovereignty?", p. 308.

149 Krasner, *Sovereignty: Organized Hypocrisy*, pp. 33–36.

150 Cox, "Social forces, states, and world orders", p. 87.

therefore, presupposed continuing ahistorical contexts such as the permanence of institutions (of which the state is an example) the power relations which constitute its parameters such as anarchy, and concentrated on making these relationships and institutions "work smoothly". As the actual institutions and relationships themselves are never called into question,[151] there develops a historically and socially unspecific theory. With specific reference to neo-realism, Cox argues as follows:

> ...[N]eorealist theory has extended itself into such areas as game theory, in which the substance at the level of human nature is presented as a rationality assumed to be common to the competing actors who appraise the stakes at issue, the alternative strategies, and the respective payoffs in a similar manner. These ideas of a common rationality reinforce the nonhistorical mode of thinking...For neorealism, this rationality is the one appropriate response to a postulated anarchic state system...security within the postulated inter-state system depends upon each of the major actors understanding this system in the same way, that is to say, upon each of them adopting neorealist rationality as a guide to action.[152]

In other words, the "objectivity" that rationalist theories purport to is actually a normative position to maintain a status quo that assumes how states should act, and what they should pursue. Cox counter-argues that hegemonic structures of dominance influence the forms of states and their motivating behaviour.[153]

It can be similarly argued that few discussions of autonomy arise because those rationalist theories with fixed notions of state sovereignty dominate International Relations scholarship. Postmodernist writings also dispute the unchanging assumptions on which sovereign authority rests in problem-solving International Relations theory. R.B.J. Walker argues that state sovereignty emerged to resolve certain ontological contradictions of history (time and space, universal and particular, as well as self and other),[154] while Cynthia Weber argues that alternate configurations of power and knowledge have given rise to different concepts throughout history.[155] In other words, these theorists also point to the fact that sovereignty, and the concepts associated with it such as autonomy, are historically, socially and purpose-specific. Autonomy as a concept has been ignored in International Relations, largely due to the fact that "objective" and "scientific" approaches of rationalist theories have created a stagnant notion of the state, its environs and what influences its behaviour. As a result, autonomy too has been become a static and "natural" part of sovereignty and of little concern for

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151 Cox, "Social forces, states and world orders", pp. 88–89.

152 Cox, "Social forces, states and world orders", pp. 92–93.

153 Cox, "Social forces, states and world orders", pp. 119–20.

154 Walker, "From International Relations to World Politics", pp. 35–36.

155 Weber, *Simulating Sovereignty*, pp. 1–10.

theorists, analysts and students of International Relations. This is despite the fact that the securing of autonomy can vary from state to state in reality.

Alexander Wendt provides a further useful definition of autonomy that supports Held's idea of sovereignty and autonomy as being separate, by arguing that autonomy varied from case to case. Wendt's theory takes into account both the need to challenge rationalist theory and the necessity of empirical applicability, albeit briefly; and alludes to these points in *Social Theory of International Relations*. He agrees on the characteristics of Westphalian sovereignty as a basic definition of sovereignty, and defines external sovereignty as "denoting merely the absence of any external authority higher than the state, like other states, international law, or a supranational Church—in short, "constitutional independence."[156] He also takes care to emphasise the difference between sovereignty and autonomy, recognising that increased interdependence means increased external constraints. To reflect this, he gives a separate definition of autonomy:

> *Autonomy* refers to the ability of a state-society complex to exercise control over its allocation of resources and choice of government. In order to reproduce its identity it is not enough for a state-society complex to merely survive, it must also retain its "liberty." This follows from the fact of state sovereignty. Indeed, a case can be made that *all* organizations, not just states, have an interest in autonomy, since without it they will be constrained in their ability to meet internal demands or respond to contingencies in the environment. On the other hand, autonomy is always a matter of degree and can be traded away when the benefit of dependence outweigh the costs. As with survival, what counts as securing autonomy will vary from case to case.[157]

Wendt's definition of autonomy is therefore somewhat similar to the definition of sovereignty by Waltz and Keohane, thereby demonstrating his attempt to bridge rationalist and critical theories. The crucial difference is that Wendt clearly separates autonomy from sovereignty, recognises its relativity and is aware that there is an increasing "gap between [a state's] right to do what [it] wants and [its] ability to *exercise* that right"[158]—in other words, an increasing gap between sovereignty and autonomy. Despite the recognition of this gap, like many of the other International Relations theories, Wendt argues that autonomy and what it entails "follows from the fact of state sovereignty."

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156 Wendt, *Social Theory of International Relations*, p. 208.

157 Wendt, *Social Theory of International Relations*, pp. 235–36.

158 Wendt, *Social Theory of International Relations*, p. 208.

Non-rationalist theorists therefore make an important contribution to the discussion on autonomy by questioning the foundational concepts of rationalist International Relations such as the state, and highlight the biases on which these theories stand. Non-rationalist theories unconcerned with the particular characteristics of sovereignty and how they work in international relations, and do not specifically refer to notions of autonomy within their discussions or attempt to define it. However, by focusing more on the context in which the concepts have arisen, they are able to draw attention to the biases present in rationalist theories, particularly with regard to state motivation. In other words, by dismantling the stable building blocks and rules of International Relations, such as sovereignty and self-help, and drawing attention to the fact that these concepts are results of historical and social contexts and purposes themselves, non-rationalist theories help to pave the way for an explanation of Japanese state autonomy that is narrower than assumed in rationalist theories because of the historically and socially specific circumstances of Japan since the Second World War.

Conclusion: Hegemony and Autonomy—A Fundamental and Irresolvable Contradiction?

The above survey of literature on hegemony and autonomy has illuminated the various characteristics of hegemony and autonomy as assessed in International Relations theory. The purpose of analysing hegemony and autonomy in detail is to grasp a clearer notion of the theoretical context in which these two concepts are situated. Hegemony has various definitions—"leadership of one state (the hegemon) over other states in the system,"[159] "domination, not merely leadership...resulting from superior power",[160] "'dominant powers'—states that exercise territorial and ideological aggrandisement and hold authority over a limited range of influence"[161], "preponderance of material resources"[162] and "when one state is powerful enough to maintain the essential rules governing interstate relations, and willing to do so."[163] However, within these various definitions, the majority add a dimension of legitimacy to hegemony.[164] In other words, preponderance of power does not automatically result in the leadership of subordinate states which agree to support hegemony. Therefore, there is always a dimension of

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159 Gilpin, *War and Change*, p. 116n.

160 Harries, *Benign or Imperial?* pp. 3–4.

161 Wight, *Power Politics*, p. 36, 41.

162 Keohane, *After Hegemony*, p. 32.

163 Keohane and Nye, *Power and Interdependence*, p. 44.

164 Gilpin, *War and Change in World Politics*, p. 30, Wight, *Power Politics*, p. 36, Keohane, *After Hegemony*, p. 49, Cox, "Gramsci and hegemony", pp. 125–26.

common interest, mutual willingness to co-operate and "a certain degree of consent from other sovereign states"[165] involved in hegemonic systems.

The analysis of theories of sovereignty in this section suggests that autonomy in rationalist theories is best described as the principle and the liberty of a state which enables it to exercise control over its allocation of resources and choice of government[166], and to determine the conditions of their own affairs, as long as it does not negate the rights of other states.[167] However, the biases of rationalist theories insists that actors follow a set pattern of behaviour under anarchy and that, as a consequence, their material capabilities are then able to be converted into state action. On the one hand, the survey of literature on sovereignty and discussion of autonomy clarifies that this assumption is not compatible for the analysis of autonomy in Japanese foreign policy, because Japanese autonomy does not follow self-help patterns under anarchy. On the other, non-rationalist theories break down these biases and lay a foundation on which to formulate a definition of Japanese autonomy; this will be discussed and clarified in Chapter Three.

The fact that hegemony is a system of consent of a particular leadership also suggests that autonomy is limited for most states, regardless of the assumptions of rational theory that assume the equality of states and their consequent ability to translate this into rational autonomous action. Autonomy under hegemony may seem contradictory, yet it is possible when biases of rational theory are dispelled. "The liberty of a state which enables it to exercise control over its allocation of resources and choice of government and to determine the conditions of their own affairs", as autonomy was defined earlier, can be sustained when hegemony is thought of as a system closer to Kang's theory of hierarchy. When the leadership of the central power is accepted and subordinate states accept their place in the pecking order, there is greater scope for stability and co-operation. In other words, the characteristics of this international system are formal inequality of power, but informal equity that recognises "substantial autonomy and freedom among the lesser states".[168]

However, the US-Japan relationship is one of hierarchy rather than hegemony. Kang argues that hegemony is "more intrusive"[169] than hierarchy, and this is indeed the

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165 Keohane, *After Hegemony*, p. 49.
166 Wendt, *Social Theory of International Relations*, pp. 235–36.
167 Held, *Democracy and the Global Order*, p. 147.
168 Kang, "Hierarchy and Stability", p. 166.
169 Kang, "Hierarchy and Stability", p. 166.

case in the US-Japan relationship. This aspect will be analysed in greater detail in the following chapter, which will follow the development of US hegemony in post-1945 international relations, and evaluate how this directly affected Japanese foreign and economic policy and limited Japanese autonomy. It will also draw on Kang's theory to argue that, whilst hegemonic power does include subordinate states in a sphere of influence or an informal empire, the hegemon perceives a world of anarchy amongst equal states, while the lesser states are more influenced by the order of hegemony. If the United States has one perception of its position in the world, while other (subordinate) states—in this case Japan—have another perception of the world, this leads to different expectations of behaviour, and consequently to differences in views on the boundaries of autonomy in hegemonic relationships such as the US-Japan relationship. The next chapter demonstrates that, as US hegemony developed, Japan was more co-operative in supporting this hegemonic system than the United States assumed, suggesting that the United States sees the world through a parsimonious anarchic lens, whereas Japan is more accepting of its position within hegemony and thus less influenced by an anarchic view of the world.

CHAPTER TWO

THE UNITED STATES AS A HEGEMON AND JAPAN UNDER US HEGEMONY

To reiterate, the aim of this thesis is to examine Japanese autonomy in the context of US hegemony. The previous chapter explored and analysed the nature of hegemony and how different perspectives of hegemony influenced its perceptions of autonomy. This chapter continues the investigation of hegemony, this time in the specific context of US hegemony. It follows the development of the United States as a hegemon, its worldviews and how they influenced Japanese policies throughout the post-Second World War period. It seeks to answer two main questions: the extent and impact of US hegemony on Japanese foreign policy, and whether the outcome of this reflects two differing perceptions of the hegemonic system between the United States and Japan.

There are two reasons for extending the discussion of hegemony in this chapter. Firstly, the US occupation of Japan at the end of the Second World War had a profound impact on the political, economic and social reconstruction of Japan, which continues to colour aspects of the relationship today. Thus, it is important to relate the theoretical discussion and definition of hegemony of the previous chapter to this specific historical background in order to understand meaningfully Japanese foreign policy within the US-Japan relationship. Secondly, the ensuing relationship between these two states has often been expressed as being hegemonic, without any substantial investigation on the precise nature of this hegemony. Therefore, greater clarification of the nature of US hegemony is not only necessary, but can significantly add to understanding the concrete ways in which the United States impacts on Japanese foreign policy.

These concerns are addressed by analysing US hegemony in chronological periods since the Second World War. This chapter follows its development in the latter half of the twentieth century and analyses its specific influence on Japan during this time. While there are several historical accounts of US-Japan relations following the Second World War, this chapter differs from them in that its specific focus is on hegemony. By illustrating and analysing the concrete constraints that the United States has placed on the world and, more particularly, on Japan, this chapter establishes the development of the United States as a hegemon, the nature of this hegemony and what US hegemony in practice has meant for Japan. Four distinct periods or contexts in the development of US hegemony are discussed: the immediate post-Second World War

period; the supposed decline of the United States in the 1970s and 1980s; the post-Cold War period; and the more recent post-11 September 2001 period, all of which demonstrate varying degrees of US hegemony. The four periods are significant and appropriate divisions for analysis in that they represent changes in the material capabilities, ideological positions and international influence of the United States. The first stage represents a time when the United States first began to establish itself as a hegemon in the wake of the Second World War. The second is a period of greater Japanese wealth and speculation about a decline in US hegemony. The third is a period of US hegemonic renewal and the potentially greater political and economic freedom of Japan following the end of ideological conflict and the Cold War. The final post-11 September 2001 stage signifies a more strident unilateralism and the willingness of the United States to use force. While the influence of these changes on Japanese foreign and economic policies varies, the implication of this chronological discussion is that the continuous influence of American hegemony across the last six decades, as chiefly exemplified for Japan in the US-Japan alliance relationship, has limited Japanese foreign policy behaviour throughout this period, despite balances between Japan's economic power and levels of US hegemony. It sets the scene in which Japan must navigate a more limited autonomy and suggests that at no stage was Japan about to dispute the primacy of the United States in the region and the importance of its alliance since 1945.

More specifically, on the nature of hegemony in the US-Japan relationship, this chapter reasons that two perceptions of hegemony are conceivable, drawing from the arguments of Kang in the previous chapter. This chapter argues first that the hegemon sees its influence over subordinate states in pessimistic, anarchic terms, because throughout the post-1945 period the United States has interpreted Japan's political recovery and rise in economic power as a threat to its own authority, particularly from the mid-1980s onwards. Secondly, this chapter also demonstrates that, while Japan did significantly increase its economic power and subsequently its political power, it remained within US hegemony and at times even went as far as sustaining declining US power. Therefore, this chapter argues that Japan is more accepting of its subordinate position under hegemony and, as a consequence, its perception of hegemony and of its relationship with the United States is less influenced by anarchic perceptions. In other words, Japan's perception of hegemony is closer to Kang's theory of hierarchy, which enables greater autonomy for subordinate states. This observation is an important point in the discussion of autonomy, as different perceptions of hegemony lead to different

expectations of behaviour, which also influence differing perceptions in regard to the boundaries of autonomy under a hegemonic system. Because Japan perceives itself in a continuing context of US hegemony, the boundaries of its autonomy are defined by pressures from the United States and consequently, its autonomy is more limited than is assumed by those rationalist theories discussed in the previous chapter.

The Establishment of US Hegemony: 1945–1970

Theorists on the Establishment of Post-Second World War US Hegemony

There is widespread agreement that the origins of the US hegemonic position in international relations began with its economic and political leadership in the aftermath of the Second World War. Lea Brilmayer states "American hegemony dates to the end of World War II, "[1] and David Calleo similarly characterises the United States as a "managing director" for the international system during this period.[2] Raymond Aron describes the position of the United States in this period as being "responsible for the peace, the prosperity, and the very existence of half the planet" and adds that "The West had known nothing like it since the Roman Empire. The United States has become the first truly world power, given there was no precedent for the global unification of the diplomatic scene."[3] G. John Ikenberry, who has written extensively on US hegemony, also supports the view that its international preponderance began at the end of the Second World War. Post-war international order was envisioned by the United States as being based on a political and economic order of liberal multilateralism. Concretely, this entailed international politics that centred on the charter of the United Nations, and international economic relations based on the pegged rate regime of the Bretton Woods agreement and the establishment of an International Trade Organisation.[4] According to Robert Keohane, "American influence rested on three major sets of benefits that its partners received from joining American-centred regimes and deferring to U.S. leadership"[5]: a stable international monetary system; provision of open markets for goods; and access to oil at stable prices.[6]

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1 Brilmayer, *American Hegemony*, p. 15.
2 Calleo, *Beyond American Hegemony*, p. 13.
3 Aron, *Peace and War*, .p. 1.
4 Ikenberry and Kupchan, "The Legitimation of Hegemonic Power", pp. 49–70.
5 Keohane, *After Hegemony*, p. 139.
6 Keohane, *After Hegemony*, p. 139.

Particularly with regard to the Bretton Woods system, John Gerard Ruggie reasons that the United States used its hegemonic authority to establish an economic institution based on legitimacy and social purpose.[7] It took leadership in establishing an international monetary order that not only sought to establish domestic growth within the state, but also maintain international monetary stability without.[8] Ruggie calls this compromise between domestic autonomy and international economic norms "embedded liberalism":

> The task of postwar institutional reconstruction...was to maneuver between two extremes and to devise a framework which would safeguard and even aid the quest for domestic stability without, at the same time, triggering the mutually destructive external consequences that had plagued the interwar period. This was the essence of the embedded liberalism compromise: unlike the economic nationalism of the thirties, it would be multilateral in character; unlike the liberalism of the gold standard and free trade, its multilateralism would be predicated upon domestic interventionism.[9]

The establishment of embedded liberalism in the form of the Bretton Woods system meant that the United States not only provided the actual material resources required to establish such a framework, but also gave it the influence over how the framework was realised.[10] Thus, the Bretton Woods system signified a multilateral arrangement that remained within the interests of the United States, and also the "extraordinary power and perseverance on the United States"[11] on which it further confirmed and developed its status as hegemon.

The view of US hegemony during this period is prevalent among both Western and Japanese scholars. Makoto Iokibe perceives US hegemony as based on asymmetrical power relations and argues that the post-Second World War international order, as envisaged by the United States, involved a hierarchy where the victors would preside over world peace by semi-permanently disenabling the defeated states—in particular, Germany and Japan.[12] Yoneyuki Sugita draws particular attention to the historical details from 1941 to 1952 that demonstrate the establishment of US hegemony in East Asia in the context of the immediate period after 1945. The US vision entailed

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7 Ruggie, "International Regimes, Transactions, and Change", p. 382.

8 Under such a system, when moves are made "toward greater openness in the international economy, [it] is likely to be coupled with measure designed to cushion the domestic economy from external disruptions" but such domestic cushioning should be "compatible with the long term expansion of international transactions." See Ruggie, "International Regimes, Transactions, and Change", p. 405.

9 Ruggie, "International Regimes, Transactions, and Change", p. 393.

10 Ruggie, "International Regimes, Transactions, and Change", p. 406.

11 Ruggie, "International Regimes, Transactions, and Change", p. 393.

12 Makoto Iokibe, "Senryōka Nihon no 'Gaikō'" ("Japan's 'Diplomacy' Under Occupation"), in Makoto Iokibe (ed.), *Sengo Nihon Gaikōshi (Post-war Japanese Foreign Policy)*, Tokyo, Yuhikaku Arma, 2000, pp. 21–63, p. 24.

its active participation in international politics with a global outlook to co-ordinate a global system, and enthusiastic and prolonged involvement in Asia. Tatsuo Akaneya also argued in his analysis of post-Second World War Japan-Australia relations that a significant influencing factor in the bilateral relationship was that of US hegemony.[13] Akeneya, in common with other discussions on US hegemony, also views US intentions in the immediate post-1945 period as centring on two main objectives—firstly, to implement a global strategy to contain communist states, and secondly to create multilateral trade and monetary systems.[14]

There are also more critical assessments of US hegemony during the post-Second World War era. Takahiko Soejima goes as far as to describe Japan in the US-Japan relationship as a "tributary state", where Japan is one of many states that is enmeshed into the US international system and cannot easily back out.[15] However, he is not so much critical of US hegemony as he is of the lack of debate on the situation in Japan. He criticises the blind following of the United States on the one hand, and the unconstructive anti-US slogans on the other. Consequently, his criticisms are largely situated in a view of established and continuing US hegemony.

The Direct Impact of US Hegemony on Japan 1945–1960

The beginnings of a hegemonic relationship and the dominance of the United States over Japan in the immediate post-Second World War period is evident at the most basic level by the fact that the United States largely led the occupation in Japan. While occupation in itself does not establish hegemony, by applying the American hegemonic vision to Japan, and at the same time making efforts to retain and nurture a sense of Japanese independence, a degree of legitimate hegemonic authority was instituted over Japan. However, for two reasons—firstly, the realities of unequal power relations represented in the American occupation of Japan and secondly, the international political circumstances and overall global US strategy during the Cold War—the actual implementation of independence and equality remained limited. As a consequence, the scope to which Japan could operate autonomously was in effect significantly influenced by US parameters.

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13 Tatsuo Akaneya, "The Development of Postwar Japan-Australia Relations and the Impact of Declining American Hegemony", *Australia-Japan Research Centre Pacific Economic Paper*, no. 153, November 1987.

14 Akaneya, "The Development of Postwar Japan-Australia Relations", p. 6.

15 Takahiko Soejima, *Zokkoku Nihonron: Born on the Planet of the Apes—Tributary State Theory*, Tokyo, Satsuki Shobō, 1999.

In reality, the occupation of Japan was largely a US-led mission, and therefore the United States was integral to the military, economic, political and social, rebuilding of Japan. It was originally planned as an Allied venture. A Far Eastern Commission (FEC)—based in Washington D.C. (with representatives of the Allied Powers that fought against Japan) and a smaller Allied Council based in Tokyo—was established to advise the Supreme Commander of the Allied Powers (SCAP), General Douglas MacArthur.[16] However, neither had much practical influence,[17] and the United States was primarily in charge of enforcing an experimental project to build a complete and lasting democracy in Japan, but also to stabilise its economy and immunise it against communism. As a consequence, Japan's war trials and rebuilding were done under exceptional circumstances, and almost solely influenced by the United States.[18]In this process, dominant power interests were infused into Japan, which nurtured political and economic co-operation. This hegemonic order became the world in which Japan functioned, and the context which continues to influence its international actions.

The unconditional surrender of Japan to the Allied Powers after the Second World War also meant that the two states were under unequal power relations in the very early stages of the post-war period. This power disparity manifested itself in initial American attitudes towards the reconstruction of Japan. Originally, the "rehabilitation" and integration of Japan into US hegemony, through the enforcement of American political culture and social values, were initially deemed central aspects of the Occupation. The Roosevelt government recommended "assimilation" of Japan into a liberal system of world trade,[19] which was followed by the Truman administration's position that Japan's "rehabilitation" should entail a familiarisation with "the history, institutions, culture and the accomplishments of the United States."[20] Importance was placed on democratisation and demilitarisation from the perspective in the early post-war period that, "if Japan's military power were destroyed, Japan and its neighbours would live in peace"[21] and, thus, the rearmament of Japan for self-defence was initially a priority for neither the United States nor Japan. To reflect this sentiment, the Japanese Constitution initiated by the General Headquarters of the US Occupation in February 1946 and enforced nine

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16 Swenson-Wright, *Unequal Allies?*, pp. 25–26.

17 Schaller, *Altered States*, p. 8; Swenson-Wright, *Unequal Allies?*, p. 26.

18 John Dower, *Embracing Defeat: Japan in the Wake of World War II*, New Press, New York, 1999, pp. 21–29.

19 Robert Dallek, *The American Style of Foreign Policy: Cultural Politics and Foreign Affairs*, New York, Knopf, 1983, p. 147.

20 Dallek, *The American Style of Foreign Policy*, p. 149.

21 Martin E. Weinstein, *Japan's Postwar Defense Policy, 1949–1968*, New York, Columbia University Press, 1971, p. 9.

months later, explicitly prohibited Japan from resorting to war as a means of resolving international dispute in Article 9, which states that "[Japan] forever renounces the threat of use of force as a means of settling international disputes" and "the right of belligerency of the state will not be recognised".[22] Even when blanket policies to convert Japan to the "American way" were changed to encourage an increased autonomous Japanese political, economic and militarily position, the process was largely initiated and monitored by the United States.

However, the increased tensions in the Cold War influenced the United States to implement a "reverse course" for Japan. Therefore, the SCAP's emphasis on democratisation and demilitarisation was replaced by the integration of Japan into US hegemony through rearmament and economic stabilisation. China became a communist state under Mao Zedong in 1949 and, following the outbreak of the Korean War in June 1950, the strategic importance of Japan grew. Consequently the necessity to bring Japan strongly on side with the United States increased. In these circumstances, the rearmament of Japan and securing of long-term support through a security alliance with the United States was prioritised over democratisation and demilitarisation.

As a result of the reverse course, the United States began to strongly encourage Japanese military rearmament, despite the earlier creation of the pacifist Japanese Constitution. The direction of US occupation in Japan changed from a universalist mission aimed at spreading American values across the country to a more specific operation of containing Soviet threat in the region. The outbreak of the Korean War in particular encouraged US thinking on the military rearmament of Japan, and the SCAP authorised the creation of a 200,000-strong National Police Reserve (NPR) on 8 July 1950.[23] This meant that the rearmament of Japan and development of greater defence arrangements were prioritised even before the conclusion of a peace treaty between the United States and Japan. Rearmament was further emphasised by John Forster Dulles in his visit to Japan in January 1951, with his attempt to persuade Japan to rearm and secure firm military commitment to the United States.[24] Japanese rearmament was important, not only to avoid a "military vacuum" in Japan that would be vulnerable to

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22 Dower, *Embracing Defeat*, pp. 82–83.

23 Swenson-Wright, *Unequal Allies?*, pp. 43–44.

24 Seigen Miyasato and Shōichi Koseki, "Kōwa—Anpo: Senryō no Shūryō to Dokuritsu" (Peace and Security Treaties—Independence and the end of the Occupation) in Eiji Takemae and Rinjirō Sodei (eds.), *Sengo Nihon no Genten: Senryōshi no Genzai [Ge]* (The Origins of Post-War Japan—A Contemporary History of the Occupation, Volume II), Tokyo, Yūshisha, 1992, pp. 241–98, p. 257; Akira Yamagiwa, "Chōsen Sensō to San Furanshisuko Kōwa", in Masanori Nakamura, *Kindai Nihon no Kiseki: Senryō to Sengo Kaikaku* (*Contemporary Japan's Locus—Occupation and Post-War Reform*), Tokyo, Yoshikawa Kobunkan, 1994, p. 216.

Soviet attack while the US had troops in Korea,[25] but also for the purposes of satisfying critics in Congress of US forces stationed in Japan after the Occupation. Japan's rearmament was consequently also important in its capacity as a symbol of reciprocity in the bilateral alliance—to give a "token contribution" in exchange for having US support stationed in Japan.[26]

US plans for Japanese rearmament were generally met unenthusiastically by both the Japanese government and population; but, despite this, the Japanese were forced to come to a compromise, which Michael Schaller describes as "the bitter pill" that Japan had to swallow in order to arrive at a peace treaty to restore Japanese sovereignty.[27] Firstly, there was public resistance to remilitarisation particularly from socialists and the intellectual left, with increasing criticism towards conservative politicians and bureaucrats and businesses that they saw as straying from the peace constitution and the values of pacifism.[28] Secondly, Prime Minister Yoshida remained cautious of the economic repercussions that rearmament would have on the Japanese economy.[29] On numerous occasions, Special Ambassador to Japan John Foster Dulles pressed Yoshida for a concrete commitment to military contributions to "the free world". However, Yoshida stood his ground, citing fears of underground militarist movements becoming stronger, economic concerns and regional sensitivities as factors weighing against Japan's rearmament.[30] These reservations about rearmament and the avoidance of military expenditure through the prioritisation of economic recovery became known as "the Yoshida Doctrine".[31] Yoshida continued to frustrate Dulles throughout the negotiations towards a peace treaty on the issue of rearmament, and the Yoshida Doctrine was able to serve as a brake on over-enthusiastic US plans that urged Japanese leaders to create an army of between 300,000 and 350,000 troops during the panic of the Korean War.[32] Eventually Yoshida compromised, indicating to the United States that Japan was willing to agree to an eventual expansion of its military capacity by creating

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25 Swenson-Wright, *Unequal Allies?*, p. 58.

26 Richard B. Finn, *Winners in Peace: MacArthur, Yoshida, and Postwar Japan*, Berkley, University of California Press, 1992, pp. 280–83.

27 Schaller, *Altered States*, p. 35.

28 Dower, *Embracing Defeat*, p. 548.

29 Mike M. Mochizuki, "US-Japan Relations in the Asia-Pacific Region" in Akira Iriye and Robert A. Wampler (eds.), *Partnership: The United States and Japan 1951–2001*, Tokyo, Kodansha International, 2001, pp. 13–32, p. 14.

30 Schaller, *Altered States*, p. 35 and Iokibe, p. 69.

31 Christopher Hughes and Akiko Fukushima, "US-Japan Security Relations: Toward Bilateralism Plus?" in Ellis S. Krauss and T.J. Pempel (eds.) *Beyond Bilateralism: US-Japan Relations in the New Asia-Pacific*, Stanford, Stanford University Press, 2004, pp. 55–86, p. 60.

32 Dower, *Embracing Defeat*, p. 548.

an additional 50,000-troop land and sea security forces on top of the existing National Police Reserve.[33] The Japanese government also agreed to create a Security Planning Headquarters under a Ministry of National Security, with guidance from the United States.[34]

Along with rearmament, Japanese economic recovery and the integration of the Japanese and US economy became an important part of US Cold War strategy. The Japanese government maintained that it needed economic stability before it could invest in rearmament, while the United States viewed an impoverished Japan as vulnerable to Soviet expansionism.[35] Therefore, the immediate goals of the US Occupation and the US administration in Japan became the stabilisation of inflation in particular, but also the achievement of long-term goals such as the elimination of black markets, installation of effective tax collection systems, and the creation of a more balanced economic budget. These goals were essential in creating a single exchange rate for Japan and necessary for it to increase its trade and re-enter the international economy.[36] The Japanese economy was taking longer to recover than SCAP had expected and, as a solution, the United States brought in Joseph Dodge, then head of the Detroit Bank and also responsible for the economic recovery of Germany following the Second World War.[37] In March 1949, the "Dodge Line" was officially introduced, a stringent nine point economic stabilisation policy that centred on four main objectives—balancing the consolidated budget; establishment of the US Aid Counterpart Fund to replace the lending operations of the Japanese government's Reconstruction Finance Bank (*fukkō kinyū kinko*); establishment of a single foreign exchange rate; and, finally, a decreased government intervention in the economy.[38] Thus, the Dodge Line essentially integrated the US vision of hegemonic influence throughout the region that planned to create a "Great Crescent" of US influence across Asia, with Japan being its great fortress against communism.[39]

Japanese economic freedoms were significantly restricted during this period in the name of anti-communism under the Dodge Line. Initially, the reforms successfully

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33 Kazuya Sakamoto, "Dokuritsu koku no Jyōken" ("The Conditions for an Independent State"), in Iokibe, *Sengo Nihon Gaikōshi*, pp. 65–104, p. 70.

34 Sakamoto, "Dokuritsu koku no Jyōken" in Iokibe, *Sengo Nihon Gaikōshi*, pp. 65–104, p. 70.

35 Schaller, *Altered States*, p. 103.

36 Ōkurashō Zaiseishi Shitsu (Office of Financial History) (ed.), *Shōwa Zaiseishi (Economic and Financial History of the Showa Era)*, vol. 3, Tokyo, Tōyō Keizai Shimpōsha, 1976, pp. 396–99.

37 Sugita and Thorsten, *Beyond the Line*, p. 24 and Swenson-Wright, *Unequal Allies?*, p. 37.

38 Dick Nanto, "The Dodge Line: A Reevaluation", in Lawrence H. Redford (ed.) *The Occupation of Japan: Economic Policy and Reform: the proceedings of a symposium sponsored by the MacArthur Memorial, April 13-15*, 1978, Norfolk, Virginia, The MacArthur Memorial, 1980, pp. 41–53, p. 48.

39 Yoneyuki Sugita and Marie Thorsten, *Beyond the Line: Joseph Dodge and the Geometry of Power in US-Japan Relations 1949–1952*, Okayama, University Education Press, 1999, p. 6.

brought down inflation rates, the number of goods and their prices on the black market, and some increases in currency circulation.[40] However, public works, welfare and education budgets were cut, and exports did not increase significantly, leaving Japan still economically vulnerable.[41] Massive numbers of workers were made redundant, bankruptcies and suicides in smaller businesses increased[42] and, as a consequence, economic and social stability remained unsteady. Popular unrest rose noticeably, and a US government document reported that "every major power element in the Japanese body politic considers itself injured and its interests jeopardized" by the Dodge Line.[43] Despite these unfavourable outcomes, the international situation pressured the conservative Yoshida government to continue to support the reforms, consequently further linking Dodge's economic plan for Japan "to serve the aims of the American imperium in Asia".[44]

It was only when the Dodge Line was complemented by the special procurements of the Korean War that the Japanese economy began to show improvement. US operations necessitated delivery of metal products, textiles, vehicles, electric equipment, paper products and numerous other goods that were to be strategically ordered from Japan. During this time, almost 3,000 Japanese firms received war-related contracts and industrial production finally surpassed pre-Second World War levels in October 1950.[45] Profits were invested to upgrade Japanese domestic transportation, power, shipping and communications, and to purchase foreign technology.[46] Debates remain on whether the Dodge Line itself or the special procurements were responsible for the boosting and recovery of Japan's economy. Nevertheless, Japan's domestic need for economic stabilisation and growth was coupled with US Cold War security interests and its economy integrated into a US-led economic system.

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40 William R. Nester, *Japan's Growing Power over East Asia and the World Economy: Ends and Means*, Basingstoke, Macmillan Press, 1990, p. 25.

41 Dower, *Embracing Defeat*, p. 541.

42 Sugita and Thorsten, *Beyond the Line*, p. 31.

43 United States Department of State, Office of Intelligence Research Report No. 5447, "Japanese Political Trends Affecting U.S. Position in Japan", 23 May 1950, as cited in Howard B. Schonberger, *Aftermath of War: Americans and the Remaking of Japan, 1945–1952*, Kent, Kent State University Press, 1989, p. 74.

44 Howard B. Schonberger, "The Dodge Mission and American Diplomacy", in Lawrence H. Redford (ed.) *The Occupation of Japan: Economic Policy and Reform: the proceedings of a symposium sponsored by the MacArthur Memorial, April 13-15*, 1978, Norfolk, Virginia, The MacArthur Memorial, 1980, pp. 53-87, p. 76.

45 Schaller, *Altered States*, p. 48.

46 Schaller, *Altered States*, p. 49.

The political and social integration of Japan into the US value system remained as a residual goal during the intensification of the Cold War. The Truman administration recognised the need for Japan "to develop a desire for individual liberties and respect for fundamental human rights, particularly freedom of religion, assembly, speech and the press."[47] However, greater independence was to be advanced within the firm control of the SCAP and the US government. Sugita reveals that, among the reasons for the change in direction, was that the United States intended Japan to be a showcase to other countries in Asia of the US's benign and legitimate presence in the region. The US government believed that if other states in Asia saw Japan forming an alliance with the United States and accepting US troops on their territory of its own accord, suspicions of colonialism would subside and the prestige and influence of the United States in the region would increase.[48]

The San Francisco Peace Treaty concluded on 8 September 1951, which officially ended US occupation of Japan, also emphasised that the United States and Japan were "neither victors nor vanquished...but only equals in the partnership of peace."[49] On the same day, a security treaty was signed by both countries. The two treaties were drafted by the United States to be a non-punitive peace agreement that attempted to take into account Japan's cultural and psychological concerns and, as a result, stipulated no reparations, economic barriers or opposition to the creation of a navy or air force, in exchange for maintaining US bases on Japanese territory.[50] Although Okinawa remained under US control, the peace treaty signified the official return of Japan's sovereignty and independence.[51] However, the hegemonic relationship established in this first decade after 1945 continued to influence Japanese foreign policy significantly into the 1960s.

US Hegemony Reinforced: 1960–1970

The developments of the 1950s established the backbone of US-Japan relations and thus the 1960s signified a period which saw those political and economic institutions created in the previous decade further develop and take hold domestically in Japan. In other

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47 Dallek, *The American style of foreign policy*, p. 149.

48 Yoneyuki Sugita, *Hegemonī no Gyakusetsu: Ajia Taiheiyō Sensō to Beikoku no Higashi Ajia Seisaku 1941 nen–1951 nen (The Irony of Hegemony: The Asia-Pacific War and US Policies towards East Asia, 1941–1952)*, Kyoto, Sekaishisho Sha, 1999, pp. 240–41.

49 Harry S. Truman, "A Treaty of Reconciliation", in *Vital Speeches of the Day 17*, vol. 23, 15 September 1951, New York, The City News Publishing Company, 1959, p. 708.

50 Roger Buckley, *US-Japan Alliance Diplomacy: 1945–1990*, Cambridge, Cambridge University Press, 1992, p. 38.

51 Swenson-Wright, *Unequal Allies?*, p. 77.

words, the Yoshida Doctrine became firmly established, prioritising economic growth and the idea of leaving political and security issues to the United States. This lessened the urgency for constitutional reform.

Politically, the 1960s signified Japan's resolve to restrict its political and military capacity under the leadership of the United States. During the 1950s, public opinion in support of constitutional reforms, with the eventual aim of becoming totally independent of the United States, was just above 50 percent.[52] However, by the 1960s, this had dropped well below 50 percent and faded from the public and political spotlight.[53] While there were violent protests, and even some deaths on the issue of the renewal of the security treaty between the United States and Japan, these demonstrations were not only anti-US but also in opposition to the then Prime Minster Kishi Nobusuke and the pre-Second World War old guard he was deemed to represent. This old guard was seen to be supported by the United States. As a compromise to the Japanese people, Kishi resigned as the security treaty was renewed, and the public unrest died away.[54]

During the 1960s, issues of burden sharing and free-riding were not yet a concern, as the United States perceived that increased economic growth in Japan would soothe domestic political tensions and stabilise the alliance between the two states. Japan was still economically weak during the 1960s, which meant that the level at which it could actually participate in military, economic and political world affairs would have minimal influence on the Cold War.[55] In addition to Japan's economic weakness, the political, economic and military confidence of the United States was still high, and the US administration did not yet see the need to depend on Japanese financial contribution and political support in the international relations of the early 1960s.

During the Vietnam War, Japan faced a difficult dilemma between the ideals of pacifism and the domestic unpopularity of war versus its alliance commitments with the United States. While the United States pressured the government for its co-operation to enable smooth and effective use of the US bases in Okinawa, the Japanese political left and student populations saw the government's support of the war as going against the

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52 Shigeki Nishihira, *Yoron Chōsa ni yoru Dōjidaishi (Contemporary History through Opinion Surveys)*, Tokyo, Brain Shuppan, 1987, p. 187.

53 Nishihara, *Yoron Chōsa ni yoru Dōjidaishi*, p. 187.

54 Sakamoto, "Dokuritsu koku no Jyōken", p. 102.

55 Masayuki Tadoroko, "Keizai Taikoku no Gaikō no Genkei" ("A Prototype of an Economic Power's Diplomacy") in Iokibe, *Sengo Nihon Gaikōshi*, pp. 105–42, p. 111.

ideals of pacifism and participation in the Asia-Africa Movement in the mid-1950s.[56] Given that Okinawa was still under US control and that its return to Japanese sovereignty depended on the Japanese government's co-operation with the United States, Japan had little choice but to support the US position in this instance.[57]

Economically, the 1960s signified a period when Japan expanded its economic capacities and incorporated itself into the Bretton Woods international economic institutions established under US leadership. Japan experienced high economic growth rates of 10.9 percent between 1961 and 1970, which was facilitated by the United States in many ways.[58] As well as guaranteeing Japan's national security and not requesting international military contributions, the United States acted as a market that absorbed Japanese goods where other industrialised countries failed. While Japan entered the General Agreement on Trade and Tariffs (GATT) in 1955 (which the United States encouraged and welcomed), 14 countries invoked Article 35 of the GATT agreement to exclude Japan from free trade agreements during the 1960s, giving reasons such as social dumping and of "unfairness" in accepting Japanese goods because of cheap labour and the long hours Japanese employees worked.[59] As a consequence, US and regional markets largely offset this discrimination towards Japan.[60]

This did not mean that US-Japan economic relations were trouble-free, but Japan frequently demonstrated its readiness to compromise its national interests in order to maintain its relationship with the United States throughout this period. The Japanese government agreed to a set of voluntary export restraints in textiles (and later in steel)[61] and Japan did not adopt comprehensive policies that upset American exports, as the European Economic Community (EEC) did in its Common Agricultural Policy (CAP) of 1964[62] and value added tax of 1967.[63]

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56 Buckley, *US-Japan Alliance Diplomacy*, p. 120.

57 Michael A. Barnhart, "From Hershey Bars to Motor Cars: America's Economic Policy towards Japan 1945–1976", Akira Iriye and Robert A. Wampler (eds.), *Partnership: The United States and Japan 1951–2001*, Tokyo, Kodansha International, 2001, p. 212. The return of Okinawa was negotiated between the United States and Japan in 1969. Okinawa was eventually returned to Japan in 1972.

58 Tadoroko, "Keizai Taikoku no Gaikō no Genkei", p. 115.

59 Marlis G. Steinert, "Japan and the European Community: An Uneasy Relationship", in Robert S. Ozaki and Walter Arnold (eds.), *Japan's Foreign Relations: A Global Search for Economic Security*, Boulder, Westview Press, 1985, pp. 33–46, p. 39.

60 Tadoroko, "Keizai Taikoku no Gaikō no Genkei", pp. 113–14.

61 Buckley, *US-Japan Alliance Diplomacy*, pp. 122–24.

62 René Schwok, *US-EC Relations in the Post-Cold War Era: Conflict or Partnership?*, Boulder, Westview Press, 1991, pp. 24–26.

63 Robert E. Hudec, "Legal Issues in US-EC Trade Policy: GATT Litigation 1960–1985 in Robert E. Baldwin, Carl B. Hamilton, and André Sapir (eds.) *Issues in US-EC Trade Relations*, Chicago, University of Chicago Press, 1988, pp. 17–64, pp. 32–34.

In this way, the United States established a sense of legitimate hegemony and consolidated its co-operative relationship with Japan in the first two decades after the Second World War. This was achieved through its attempts to fuse American political, social and ideological values and goals with the political and economic recovery of Japan. Japan, in turn navigated its way within the restrictions of defeat, economic turmoil and ideological tensions, and shifted from a position of receiving direct political and economic rule from the United States in the 1950s to the third largest economy in the world by the end of the 1960s. While, economically, the US attitude encouraged the economic recovery of Japan, the latter's dependence on the former for its national security restricted the international impact of Japan's economic development, and it did not earn the full international recognition of the new status it desired.

Hegemonic Decline? US Hegemony from the 1970s to 1990

While there is little dispute as to when US hegemony was established internationally, there was significant argument over whether the 1960s to the 1980s saw a decline in US hegemony. In terms of actual international events, this period saw a breakdown and significant change in the institutions borne out of the US vision for post-1945 international stability. The Bretton Woods system began to show strains in the mid-1960s, and it was eventually renounced in 1971 with destabilising consequences.[64] International Free Trade arrangements for free trade were also showing signs of failure during the 1960s. Between the mid-1960s and early 1980s, national controls on trade increased for a wide variety of manufactured goods;[65] moreover the GATT was not being utilised to its full potential as an international regime.[66] Patterns in oil production, up to the 1960s dominated by American and British companies with the backing of their respective national governments, changed with the establishment of the Organisation of Petroleum Exporting Countries (OPEC), giving greater power to oil-producing countries, particularly through the nationalisation of oil production.[67] Finally, the Vietnam War left the United States weary of military involvement in international conflicts and, under the subsequent Nixon Doctrine, it down-scaled its international security commitments.

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64 Keohane, *After Hegemony,* p. 184, p. 186.

65 Albert Bressand, "Mastering the 'World Economy'", *Foreign Affairs*, vol. 61, no. 4, Spring, pp. 745–72.

66 Robert E. Hudec, *The GATT Legal System and World Trade Diplomacy*, New York, Praeger, 1975, p. 256.

67 Keohane, *After Hegemony*, p. 185, p. 190.

Theoretical Debates on Hegemonic Decline

In more theoretical discussions, hegemonic stability theorists argue that the benefits to the system provided by the hegemon could in fact increase the economic powers of secondary states, therefore reducing the hegemon's relative power, and eventually "eroding hegemony". As discussed in the previous chapter on the concept of hegemony, Keohane and Joseph S. Nye (in their discussion of co-operation during and after hegemonic decline) argue that, as secondary states gain greater status and autonomy under hegemonic international systems, they reject a one-sided dependence on the hegemon.

On the other hand, in response to the changes in secondary states, Keohane and Nye also argue that the hegemon might change and appear less likely or able to guarantee economic and political stability.[68] Crucially, Keohane and Nye maintain that, despite declining hegemony, the institutions established under hegemony can sustain international co-operation, as opposed to the realist interpretation of hegemonic stability theory, which states that a decline in hegemonic power usually leads to change through conflict and war. Furthermore, Nye argues in *Bound to Lead: The Changing Nature of American Power* that, despite the decline in US relative power during this period, it is still best suited to leading the international community due not only to its "hard power" (both military and economic) but, more importantly, to its "soft power". Nye argues that what is important in maintaining international institutions and an international culture of stability is the "soft powers" of political philosophies, ideologies and culture, which convince other states of the benefits of participating in international regimes. He argues that, as the United States still had soft power at this time, despite a relative decline in hard power, it consequently remained a global leader.[69]

Ruggie's theory of embedded liberalism also supports Keohane and Nye's arguments about the continuation of international regimes under diminishing hegemony. He maintains that the wave of protectionist economics, seen after the decline in US willingness to absorb trade and take leadership in international monetary stability, did not signify discontinuation of post-Second World War liberalism but, rather, was an integral feature of embedded liberalism.[70] Trade tariffs and the shift to floating exchange rates following the collapse of the Bretton Woods system all represented changes in the

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68 Keohane and Nye, *Power and Interdependence*, p. 45.

69 Joseph S. Nye, *Bound to Lead: The Changing Nature of American Power*, New York, Basic Books, 1990.

70 Ruggie, "International Regimes, Transactions, and Change", p. 410.

instrumentalities of achieving an essentially unchanged shared purpose—a balance between domestic and international economic growth and stability—of the regime originally established by the United States.[71] Thus, he presented the theory that "far more continuity can attend hegemonic decline than would be predicted by the hegemonic stability thesis, provided that social purposes are held constant."[72]

Hegemonic Decline and US-Japan relations during the 1970s

This period of hegemonic decline and its influence on Japan was primarily represented in the "Nixon Shocks" of the early 1970s, which affected the security, economics and politics for Japan. The announcement of the Nixon Doctrine of 1969, the end of the Bretton Woods System in 1971 and US President Richard Nixon's visit to China in February 1972 signified dramatic changes in US policy.[73] These events were viewed as a period following the Second World War in which US-Japan relations were the most strained.[74].

Firstly, the Nixon Doctrine stated that the United States would continue to provide protection against nuclear threat, but would only assist countries that were prepared to take responsibility for their own basic national defence.[75] During this period, Nixon withdrew US troops in Vietnam, and began to make adjustments to scale-down US participation in combating communism around the world. To signal this, the Guam Doctrine (later the Nixon Doctrine) was announced in July 1969 and confirmed in a congressional report in February 1970. These US policies signified decreased US armed forces in Asia and the Pacific region and greater security responsibilities for Japan,[76] put new pressures on the Japanese government, and consequently cast doubts on the stability of the US-Japan Security Treaty.

While Green argues that, through the Nixon Doctrine, "the Japanese political establishment received its strongest notice yet that the time was ripe for defense autonomy",[77] this opportunity was largely complicated and limited by the trade frictions

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71 Ruggie, "International Regimes, Transactions, and Change", p. 404, pp. 409–11.

72 Ruggie, "International Regimes, Transactions, and Change", p. 413.

73 Akihiko Tanaka, *Anzen Hoshō: Sengo 50nen no Mosaku*, Tokyo, Yomiuri Shimbun Sha, 1997, pp. 231–38.

74 Tadae Takubo, Masatoshi Ōta, and Shigeo Hiramatsu, *Nihon Gaikō no Saitenken: Kenshō "Yoshida Dokutorin"*, Tokyo, Jijitsūshin Sha, 2000, p.82.

75 Akaneya, "The Development of Postwar Japan-Australia Relations", p. 19.

76 Akaneya, "The Development of Postwar Japan-Australia Relations", p. 19.

77 Michael Green, *Arming Japan: Defense Production, Alliance Politics and the Postwar Search for Autonomy*, New York, Columbia University Press, 1995, p. 54.

involving Japanese and US textile industries. As Nixon had gained office with the huge support of textile companies in US southern states, the restriction of Japanese textile imports into the United States was a major goal of the Nixon administration.[78] This should not have been a difficult issue for the United States at this point, as the Japanese textile industry was not as strong an industry as it had been in the 1960s. However, the negotiations proved drawn out and were blown out of proportion.[79] The United States pressured Japan to compromise, threatening unilateral quotas and the usage of the Trading with the Enemy legislation[80]. Eventually, the negotiations were rapidly tied together through the leadership of Kakuei Tanaka, then the Minister for International Trade and Industry.

The Okinawa issue also found its way into the textile conflict, when threats to delay the return of Okinawa were used as leverage by the United States, despite President Nixon having officially announced in November 1969 that the United States would return the southern islands by 1972.[81] While the return of Okinawa did eventuate in May 1972, it was symbolically noteworthy, as the intervening years of occupation of Okinawa even after mainland Japan had gained sovereignty signified that the Second World War had not truly ended for the Japanese.[82] The US administration had always been in agreement that the return of Okinawa to Japan was essential for the long-term maintenance of the US-Japan relationship. However, the process to do so had been slow, not only because of the textile issue, but also because the US military bases in Okinawa had proved their utility during the Vietnam War, and the US administration did not want to lose its influence over the bases or have restrictions on their capacities under Japanese sovereignty. The major point of conflict was Japan's "Three Anti-Nuclear Principles"—to not produce, not possess or bring nuclear weapons into Japan.[83] The biggest problem for the United States was the last principle of "not bringing" nuclear

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78 Gerald L. Curtis, "US Policy toward Japan from Nixon to Clinton", in Gerald L. Curtis (ed.), *New Perspectives on US-Japan Relations*, Tokyo, Japan Centre for International Exchange, 2000, pp. 1–38, p. 3.

79 I. M. Destler, Fukui Haruhiro, and Hideo Sato, *The Textile Wrangle*, Ithaca, Cornell University Press, 1979, pp. 242–50.

80 Buckley, *US-Japan Alliance Diplomacy*, p. 128.

81 Buckley, *US-Japan Alliance Diplomacy*, p. 129.

82 "Satō Eisaku, Okinawa Hōmon ni saishite no sutētomento," ("Eisaku Satō's Statement on visiting Okinawa"), in Kashima Heiwa Kenkyūjo (ed.), *Nihon Gaikō Shuyō Bunsho Nenpyō Dai 2kan (Basic Documents in Japanese Foreign Relations, Volume 2)*, Tokyo, Hara Shobō, 1984, pp. 613–14. The statement was made on 18 August 1965 and Satō was the first post-World War II Japanese Prime Minister to visit Okinawa. He stated,「沖縄の祖国復帰が実現しない限り、我が国にとって『戦後』が終わってない」.

83 Nobutoshi Nagano, *Nihon Gaikō Handobukku—Jyūyō Shiryō/Kaisetsu/Nenpyō* (*Japanese Foreign Policy Handbook—Important Documents/Commentary/Chronology*), Simul Shuppan, 1981, pp. 82–83.

weapons into the country. This aspect of the Three Principles was overcome through the recognition of the possibility that nuclear weapons might be brought into the bases in the event of conflict in East Asia.

Another significant factor (other than economic frictions in the textile industry) to impact Japan in the 1970s was the collapse of the Bretton Woods system in August 1971—yet another component of the Nixon Shock. As Japan's rapid economic development was based on exports and the fixed exchange rates of the Bretton Woods system, moves away from fixed gold rates to floating exchange rates were a significant disadvantage.[84] However, Japan was also accommodating the United States by taking pressure off the US dollar and suspending its convertibility into gold. Although the Japanese population still feared the fragility of its economy and maintained that the yen needed to continue to be valued at 360 yen to the dollar, the Ministry of Finance was largely aware that adjustments in the international monetary system would be necessary.[85] However, contrary to Japanese predictions that the target of the adjustments would be Europe, Japan instead came under pressure from both the United States and Europe to adjust the value of the yen.[86] Furthermore, in the same year, US Congressional leaders claimed openly that the US trade deficit with Japan was the principal cause of American economic difficulties and, therefore, "in the eyes of Congress and the American public, Japan became identified as economic enemy number one, the chief reason the United States had a payment deficit at all, and a chief cause of the fall of the dollar.[87] Japan was therefore under pressure to relinquish its immediate economic advantages for the sake of the long-term partnership with the United States. Japan accepted a 17 percent devaluation of the yen to 308 yen to the dollar, agreed to permit the yen to float after 1971 and acted to reduce its overall balance of payments surplus, with some success through 1973.[88] The collapse of the Bretton Woods system also signalled the beginning of the international significance of Japan and the yen, and one of the first incidents that encouraged Japan to expand its international role.

The changes in US attitudes toward China was possibly received as the biggest surprise of the Nixon shocks by Japan, and was seen as a great betrayal.[89] Japan had

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84 Takubo, Ōta and Hiramatsu, *Nihon Gaikō no Saitenken*, p. 79.

85 Hiroshi Nakanishi, "Jiritsuteki Kyōchō no Mosaku" ("Searching for Independent Co-operation"), in Iokibe, *Sengo Nihon Gaikōshi*, pp. 143–86, p. 149–50.

86 Nakanishi, "Jiritsuteki Kyōchō no Mosaku", p. 150.

87 Barnhart, "From Hershey Bars to Motor Cars", p. 219.

88 Barnhart, "From Hershey Bars to Motor Cars", p. 217.

89 Mochizuki, "US-Japan Relations in the Asia-Pacific Region", p. 22; Buckley, *US-Japan Alliance Diplomacy*, p. 127.

been looking to China and other states in the region in order to expand its export markets from as early as the 1950s, but US policymakers were adamant that this could not happen in a Cold War context.

> China was regarded as part of a unified communist bloc, and continued to be regarded even in the face of evidence of a serious Sino-Soviet split. U.S. policy makers saw the world in bipolar, not multipolar, terms. There was no room for a U.S.-Japan-China triangle in this worldview; indeed, the United State firmly rejected Japanese efforts to break out of the rigid bipolar mold in developing Japan's policy toward China.[90]

Japan had made painstaking efforts to improve its relations with China through the separation of politics and economic or *seikei bunri*,[91] so that it would retain basic alignment and coherence with US Cold War policies. It was in this context that, on 15 July 1971, President Nixon revealed that the United States had engaged in talks with the People's Republic of China over a New Economic Policy without any prior discussion with, or notification to, the Japanese government.[92] US resumption of relations with China made it easier for Japan to expand its relationship with China and was ultimately beneficial for Japan. It quickly established formal diplomatic relations with China in 1972—nine years ahead of the United States.[93] However, this US diplomatic style of "going over the head" of Japan, which improved somewhat under the presidencies of Ronald Reagan and George H.W. Bush, became a dominant pattern in US dealings with China up to the Clinton administration.[94] Furthermore, while Japan's quick recovery in its relationship with the People's Republic of China and continued relationship with Taiwan in the wake of the Nixon Shocks appeared to be a successful demonstration of Japanese initiatives independent of the United States, it was again, within the boundaries of US interests, and the policies were conducted in close consultation with the US administration.[95] Prime Minister Masayoshi Ōhira writes that the Japanese government's actions on China were made with the tacit approval of the United States,

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90 Curtis, "US Policy toward Japan from Nixon to Clinton", p. 6.

91 The Japanese private sector had signed four commercial agreements with China between 1952 and 1958 as a result of the separation of economics and politics. See Mochizuki, "US-Japan Relations in the Asia-Pacific Region", p. 18; Glen D. Hook, Julie Gilson, Christopher W. Hughes and Hugo Dobson, *Japan's International Relations: Politics, Economics and Security*, London, Routledge, 2001, p. 165.

92 Yoshihide Soeya, *Japan's Economic Diplomacy with China, 1945–1978*, Oxford, Oxford University Press, 1998, p. 110. Soeya discusses in detail "that both governments would remain in close consultation on the China question."

93 Buckley, *US-Japan Alliance Diplomacy*, pp. 132–33; Soeya, *Japan's Economic Diplomacy with China*, p. 110.

94 Curtis, "US Policy toward Japan from Nixon to Clinton", p. 3.

95 Nakanishi, "Jiritsuteki Kyōchō no Mosaku", pp. 154–55.

which included the condition that China would be ready to accept the "international order established in San Francisco that pivoted on the Japan-US Security Treaty."[96]

In the aftermath of the Nixon Shocks and trade conflict, US-Japan relations were restrained but regained some balance when President Gerald R. Ford visited Tokyo in November 1974—the first ever visit to Japan by a US head of state.[97] By the mid-1970s, relations between the two states were more even-handed and trust based on cautious optimism was restored. Ambassador Edwin O. Reischauer argued that, despite differences with Japan, trust could be maintained by the fact that the alliance with the United States remained the best option for Japan in the region:

> American and Japanese concepts of world order, international economic relations, and a desirable domestic social and political system are almost certain to remain much more compatible with each other than with the comparable ideologies of either China or the Soviet Union...even if Japan and the United States should drift apart for other reasons, neither is likely to develop a relationship with China or the Soviet Union that could be a substitute for their relationship with each other.[98]

Amidst this optimism, US-Japan Security Co-operation Guidelines were accepted by the Japanese cabinet in November 1978, which reaffirmed Japan's reliance on the US nuclear umbrella and the self-defence of national territory in the event of limited and small-scale attacks.[99] Joint military exercises were also expanded from only navy operations to also include air and land operations.[100]

The 1970s were thus a period when the United States took a turn in its approach to relations with Japan. As US relative power and hegemonic influence declined, curtailing the spread of communism through US direct involvement in the Western bloc was no longer a high priority—a lesson learnt from the Vietnam War. In turn, as the Japanese economy strengthened, the United States also looked to it to become more independent of the United States, and began to treat it, not in the teacher-student relationship that dominated the 1950s and 1960s, but increasingly as a competitor whose economic rise posed a threat to US trade interests and, potentially, to its position as hegemon. Despite the negative outlook of the United States with regard to Japan's increasing economic success, the latter continued to be co-operative with the US hegemonic system, and disagreement with the United States over issues such as the return of Okinawa, trade

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96 Masayoshi Ōhira, *Brush Strokes: Moments from My Life*, Tokyo, Foreign Press Centre, 1979, p. 100.

97 Gerald R. Ford, *A Time to Heal: The Autobiography of Gerald R. Ford*, New York, Harper and Row, 1979, pp. 204–205.

98 Edwin O. Reischauer in Priscilla Clapp and Morton H. Halperin (eds.), *United States-Japanese Relations: The 1970s*, Cambridge Massachusetts, Harvard University Press, 1974, p. 2.

99 Nakanishi, "Jiritsuteki Kyōchō no Mosaku", p. 181.

100 Bōei Nenkan Hakkōkai, *Bōei Nenkan (Defence Yearbook)*, Tokyo, Bōei Media Centre, 1988, p. 49.

friction and the revaluation of the yen, and China policies were largely tolerated by Japan.

"Burden Sharing" and Trade Conflicts: The 1980s

The 1980s saw the Japanese economy peak and with it US demands for Japanese involvement in "burden sharing" in international and security affairs. The areas of burden-sharing largely fell into to three broad areas: increases in the Japanese defence budget; increased Japanese financial contributions to the running of US bases on Japanese territory separate to the defence budget, which became known as the "sympathy budget"; and increased international economic co-operation to developing countries, including contributions to Official Development Assistance (ODA). In addition, trade conflicts continued during the 1980s and soured the good security relations developed between Ronald Reagan and Yasuhiro Nakasone.

The Reagan administration pressured Japan to increase its defence budget from early in its first term and, at the first heads of states meeting in March 1981, Zenkō Suzuki and Ronald Reagan met to discuss these issues.[101] At this meeting, the United States strongly urged Japan to defend 1,000 nautical miles around its territory.[102] As the increase in the defence budget was curtailed, Prime Minister Suzuki did not make any concrete agreements to the protection of these areas.[103] In the official statement following the meeting, Suzuki referred to the possibility of defending off-shore territorial waters and sea lanes between Tokyo and Osaka in the context of "appropriate assigning of roles" in the alliance. The United States took this to be officially accepting these defence roles, which Suzuki then denied,[104] placing the Suzuki government in a difficult and embarrassing position.

The mixed reactions of the Suzuki government signified the ambivalent position that Japan held over increasing its military capabilities and maintaining its position of pacifism. Suzuki attempted to reconcile the two seemingly conflicting directions in which Japan was heading through the concept of comprehensive security.[105] However,

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101 Tomoyoshi Sumi, *Amerika tai Nichi yōkyū to Anzen Hoshō: Nichi-Bei Kankei Ron (US-Japan Relations Theory: America's requests to Japan and Security)*, Tokyo, Shin Nippon Shuppan Sha, 1993, pp. 22–23.

102 Mochizuki, "US-Japan Relations in the Asia-Pacific Region", p. 23.

103 Sumi, *Amerika tai Nichi yōkyū to Anzen Hoshō*, pp. 22–23.

104 Tanaka, *Anzen Hoshō*, pp. 265–80.

105 The first instance of Japan broadening its conceptions of security was during the oil shocks of the 1970s, when the notion of comprehensive security emerged in Japanese security policy.

Japan became more accommodating of security co-operation with the United States when Yasuhiro Nakasone became Prime Minister in 1982. Prime Minister Nakasone's rhetoric spoke of a more internationally assertive Japan. Many in the United States believed that, as Prime Minister, Nakasone, a strong nationalist who wore a black tie to every National Diet session during the US occupation as a symbol of mourning, would push for Japan to distance itself from its hegemonic partner in order to pursue more independent defence and foreign policies.[106] However, Nakasone actively sought to heighten national awareness that Japan's security was inevitably linked with the United States, and therefore Japanese policies needed to be formulated in this context, with a greater global focus.[107] In a series of meetings dubbed the "Ron-Yasu" dialogues, Nakasone agreed to participate in the US Strategic Defense Initiatives (SDI), increase joint military exercises and to operationalise the defence of sea lanes.[108] By 1984, Paul Wolfowitz declared that "the general consensus of administration officials and long-term observers of U.S.-Japan relations is that our defense relationship with Japan has never been better"[109] and, by 1987, the Nakasone government exceeded the 1 percent GNP defence budget.[110] In other words, Nakasone's vision brought an assertive Japan, which firmly held the US hegemony as the centre of its framework, into the international system.

While Japan made efforts to increase its defence co-operation with the United States, there were other burden-sharing issues. In a public hearing of the US House of Representatives Strategic Committee Defence Sharing Special Section meeting, Richard Perle, former Assistant Undersecretary of Defense stated that Japan's citing of "political and psychological difficulties" in avoiding a fair defence load was "malignant free-riding".[111] As a consequence, besides increased military co-operation and capabilities from the Japanese, the United States also pressured Japan for an increase in its

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Comprehensive security extended security beyond the protection of the state from external military threats to include economic and resource security.

106 Curtis, "US Policy toward Japan from Nixon to Clinton", p. 14.

107 Curtis, "US Policy toward Japan from Nixon to Clinton", p. 15. Nakasone held this position from the time when he was Director-General of the Japanese Defence Agency under the Satō Cabinet. See Tomohiko Satake, "'Nakasone Kōsō' no Saikentō: Bōei Chōkan Jidai ni okeru Nakasone Yasuhiro no Bōei Kōsō ni tsuite" ("Rethinking the 'Nakasone Plan': Yasuhiro Nakasone's Defence Strategy as the Director General of the Japanese Defence Agency in 1970–1971"), *Hōgaku Seijigaku Ronkyū*, vol. 60, Spring 2006, pp. 33–64.

108 Laura Stone, "Whither Trade and Security? A Historical Perspective", in Michael J. Green and Patrick M. Cronin, *The US-Japan Alliance: Past, Present, and Future*, New York, Council on Foreign Relations Press, 1999, p. 258.

109 Paul Wolfowitz, *Taking Stock of US-Japan Relations*, Washington D.C., US Department of State, Bureau of Public Affairs, 1984, pp. 3–4.

110 Sumi, *Amerika tai Nichi yōkyū to Anzen Hoshō*, p. 25.

111 Sumi, *Amerika tai Nichi yōkyū to Anzen Hoshō*, p. 34.

"sympathy budget"—money that Japan had been paying to the United States since 1978 for the running costs of having their bases stationed in Japan.[112] What began as 6.19 billion yen in 1978 increased more than 27-fold by 1990 to 168.29 billion yen. The running costs of the bases were exacerbated by the increasing exchange rate of the yen against the US dollar and also the large US trade deficit with Japan, which at its peak in 1981 was 13.58 billion yen.[113] As a consequence, by the time of Noboru Takeshita's prime ministership in 1988, Japan was paying 50 percent for the running of the bases, which increased to 75 percent by 1990.[114]

While the increases in the Japanese military budget and security co-operation with the United States were lauded, at the same time the increased military capacity of Japan sat uncomfortably with the United States. In particular, as commercial technology increasingly became suited for dual military-industrial usage and Japanese commercial technology more advanced, the United States found itself becoming dependent on Japanese electronic components. This meant that not only was the United States dependent on Japan to maintain its own global military leadership, but that third countries stood to gain from incorporating Japanese technology, thereby weakening US relative military power.[115] In this context, the United States and Japan negotiated mechanisms for Japanese technology to flow to the United States for military use,[116] and the co-development of a Japanese support fighter, the FS-X. The State Department, the Pentagon and the US defence aviation industry negotiated a deal on the FS-X with Japan that would bring work and technology back to the United States at the same time.[117] However, the US Trade Representative (USTR) viewed the negotiation as unacceptable and argued that it did not bring back enough economic benefits to the United States. The project was therefore re-negotiated with the inclusion of USTR representatives and, on the Japanese side, Ministry of International Trade and Industry (MITI) representatives. As a result, security co-operation was disrupted and aggravated by trade issues, and did little to improve the tensions in the US-Japan relationship.

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112 Sumi, *Amerika tai Nichi yōkyū to Anzen Hoshō*, p. 34.

113 Kōji Murata, "Kokusai Kokka no Shimei to Kunō", ("The Purpose and Anguish of the International State"), in Iokibe, *Sengo Nihon Gaikōshi*, pp. 187–224, p. 201.

114 Bōei Shisetsu Chō, "Shūgiin Yosan Iinkai Teishutsu Yōkyū Shiryō" ("Lower House Budget Committee Submitted Request Documents"), in Sumi, *Amerika tai Nichi yōkyū to Anzen Hoshō*, p. 34.

115 Steven K. Vogel, "Japanese High Technology, Politics and Power", Research Paper 2, *Berkeley Roundtable on the International Economic (BRIE)*, March 1989, pp. 5–41 and Akio Morita and Shintarō Ishihara, *No to ieru Nihon*, Tokyo, Kōbunsha, 1989, p. 36.

116 Steven K. Vogel, "The 'Inverse' Relationship: The United States and Japan at the End of the Century", in Robert J. Lieber (ed.), *Eagle Adrift: American Foreign Policy at the End of the Century*, Longman, 1997, pp. 193–214, p. 208.

117 Green, *Arming Japan*, p. 95.

To steer Japan away from excessive military advancement, the United States also directed Japanese burden-sharing pressures toward international development and greater ODA expenditure, as well as guiding it in the interests of the United States. The Japanese government had planned the ODA budget in the first half of the 1980s to be double that of the latter half of the 1970s. In real terms, this meant a budget of 2.4307 trillion yen from 1981 to 1985. By 1989, Japan had surpassed the United States to become the largest donor in the world.[118]

The United States also encouraged Japan in the 1980s to deliver its economic assistance through bilateral aid rather than through multilateral organisations—a pattern of behaviour that maximised US interests through targeted aid delivery.[119] In a US-Japan security discussion held in May 1988, the United States also requested Japan to "shoulder some of the burden" in distributing economic assistance to countries of US strategic interest, such as the Philippines, Pakistan, and Turkey.[120] In particular, the United States was interested in getting Japan to support it financially in maintaining its bases in the Philippines through such economic assistance.[121]

The security front was relatively positive in the 1980s between the United States and Japan. However in stark contrast to this, the economic front showed deep conflict that even the Ron-Yasu relationship found difficult to disregard. Trade continued to be a problem area throughout the 1980s, with the protectionist US Congress demanding that the administration pressure the Japanese government to liberalise its agricultural and industrial markets and impose quotas on car imports. Under such demands, in April 1984, Japan agreed to the importation of an average of 6,900 tonnes of US beef and 11,000 tonnes of oranges. Japan also put a self-imposed quota of 1.85 million and 2.3 million cars for 1984 and 1985 motor car imports respectively, while the US House of Representatives passed a local content bill in 1984 for motor car parts, again aimed at restricting Japanese imports.

In further attempts to ease the US trade deficit, market-oriented sector specific (MOSS) negotiations were held in 1985 and, in the same year, a meeting of Ministers of Finance and heads of national banks of the G5 met in the Plaza Hotel in New York.[122]

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118 Murata, "Kokusai Kokka no Shimei to Kunō", p. 213.

119 Sumi, *Amerika tai Nichi yōkyū to Anzen Hoshō*, pp. 38–39.

120 "Keizai Enjyo wo Fukumu Sōgō Anpo Dankai ni" ("Stages towards Comprehensive Security including Economic Assistance"), *Nihon Keizai Shimbun*, 6 May 1988, p. 1.

121 "Keizai Enjyo wo Fukumu Sōgō Anpo Dankai ni", *Nihon Keizai Shimbun*.

122 Yōichi Funabashi, *Managing the Dollar: From the Plaza to the Louvre*", Washington D.C., Institute for International Economics, 1988, p. 13.

The Plaza Accord that was consequently enforced entailed an approximate 50 percent appreciation in the yen in an attempt to boost US exports.[123] However, Japan's trade surplus with the United States was not alleviated, and was over 50 billion dollars by 1986. Relations worsened over the 1986 Semiconductor Agreement that sought to prevent the dumping of Japanese semiconductors and an increased share for US and foreign semiconductors in the Japanese market.[124] Discrepancies over the degree to which the agreement guaranteed market shares led to the United States imposing economic sanctions against Japan in 1987.[125]

Further complications in the US-Japan trade conflict were around the negotiations for the Structural Impediment Initiatives (SII), which commenced in June 1989. The SSI aimed to compliment the Omnibus Trade and Competitiveness Act enacted in August 1988 to strengthen and protect US trade, financial sectors and industries from foreign pressures and to also promote the competitiveness of US exports. The centrepiece of the US SII negotiation was the Trade Act Super 301 Provision, which stipulated the reporting of unfair foreign trade practices to Congress by the USTR and that, if negotiations to alleviate the situation were not settled in a year, retaliatory measure could be taken.[126] Under the super Article 301, the United States pressured Japan to deal with its land and transport systems and to reform its anti-monopoly laws. These demands bordered on issues of internal sovereignty, but Japan took a non-confrontational position, saying that it would not take part in negotiations that pre-supposed sanctions, and that it was willing to negotiate with the United States at anytime if there were problems between them.

In this context of souring economic relations, there was a marked shift in US perceptions of Japan, whereby the United States went from viewing Japan as a state that shared its democratic and liberal values to that of a foreign state which fundamentally did things differently. The United States thus believed it needed a more severe and cautious approach in its dealings with Japan. This was particularly reflected in the literature that appeared during the latter years of the 1980s, such as Clyde Prestowitz's *Trading Places: How we allowed Japan to Lead*[127], with other "Japan-bashing" stemming from Japanese direct investment in American icons such as Columbia Studios

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123 Charles Smith, "With Much Appreciation: A Stronger Yen will not solve all Japan's problems", *Far Eastern Economic Review*, p. 62, 17 October 1985.

124 Chihiro Hosoya (ed.), *Nichibei Kankei Tsūshi*, Tokyo, Tokyo University Press, 1995, p. 269.

125 Hosoya, *Nichibei Kankei Tsūshi*, p. 270.

126 Stone, "Whither Trade and Security? A Historical Perspective", p. 259.

127 Clyde Prestowitz, *Trading Places: How we allowed Japan to Lead*, New York, Basic Books, 1988.

and the Rockefeller Center.[128] Non-Americans were also critical, such as Karel van Wolferen's *The Enigma of Japanese Power: People and Politics in a Stateless Nation*[129] and "The Japan Problem".[130]

Yet what is sometime less emphasised in the economic relationship between the United States and Japan during this period is Japan's financial underwriting of US hegemony. The economic policies of the Reagan administration had resulted in a huge budget deficit, but despite this, expansionary economic policies, comprehensive defence spending and, to a lesser extent, domestic investment continued.[131] This continued expenditure was possible by the foreign financing of the US budget deficit through purchases of US treasury bonds, with Japan as a major contributor.[132] Japan on the other hand was experiencing record financial surpluses and needed a means by which to eliminate them. Gilpin describes the relationship as follows:

> By the mid-1980s, Japan had replaced West Germany was America's principal economic ally and the financial backer of the continued economic and political hegemony of the United States. Japanese investment of their savings and of the nation's huge payments surplus in the United States supported the dollar, helped finance the defense buildup, and contributed to American prosperity. More importantly it masked the relative economic decline of the United States. Japanese financial assistance enabled the American people to postpone, at least for a time, the difficult task of coming to terms with the classic problem that faces every declining power, that is, determining how to bring its power and commitment back to a state of economic and political equilibrium.[133]

US-Japan relations in the 1980s therefore signified a period where Japan was perceived as posing a major threat to the United States, particularly as both its military and economic capabilities increased. In other words, in the context of a relative decline in its hegemony, the United States needed greater control over Japanese defence and economic policy and assurance from Japan that increases in its capabilities were in compliance with US requests and interests. Furthermore, as the Plaza Accords demonstrated, while Japan objected to its portrayal by the United States as "the sole offending surplus country,"[134] it ultimately accepted quotas and economic changes that

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128 Gideon Haigh, "Columbia Agrees to Sony Terms", *The Sydney Morning Herald*, 28 September 1989, p. 31; Stephanie Strom, "Japanese Scrap $2 Billion stake in Rockefeller", *New York Times*, 12 September 1995.

129 Karel G. van Wolferen, *The Enigma of Japanese Power: People and Politics in a Stateless Nation*, London, Macmillan, 1989.

130 Karel G. van Wolferen, "The Japan Problem", *Foreign Affairs*, vol. 65, no. 2, Winter, 1986/87, pp. 288–303.

131 Robert Gilpin, *The Political Economy of International Relations*, Princeton, Princeton University Press, 1987, p. 331.

132 Gilpin, *The Political Economy*, p. 331.

133 Gilpin, *The Political Economy*, p. 332. Also see Gilpin, *War and Change*, p. 187.

134 Funabashi, *Managing the Dollar*, p. 13.

did not always guarantee positive outcomes for Japan—in the name of long-term US relations and maintaining US hegemony. Japan was also integral to supporting US hegemony by being a major financial backer when the United States was struggling economically.

Post-Cold War and Hegemonic Renewal

It should not be forgotten that US hegemony emerged following the Second World War and in the context of the Cold War, and that its hegemony extended across the Western bloc, whilst the Soviet Union enjoyed hegemonic influence within its own communist bloc. However, as the Cold War came to an end, the United States became a global hegemon in the true sense, becoming the only international superpower. Thus, despite discussions of declining hegemony up to the 1980s, by the 1990s the United States had begun to reassert its role as hegemon in international relations.

Post-Cold War Theories of US Hegemony

The theoretical trends immediately following the Cold War were varied. Liberal proponents argued that the end of the Cold War demonstrated what Francis Fukuyama called "the end of history", indicating that a period of history in which democracy and market economic had prevailed, and would inevitably continue into the foreseeable future.[135] As a result, he argued, the post-Cold War era would not look much different to the Cold War period, and with liberal capitalism succeeding communist economies, international political life might now be simply a matter of achieving political means. In other words, Fukuyama suggested that "history understood as a single, coherent, evolutionary process" had reached its end point, and that this "directional History of mankind...will eventually lead the greater part of humanity of liberal democracy".[136]

Fukuyama's thesis supported other liberal theories and also the emerging political view in the US government that liberal democracies were less likely to go to war with each other, particularly as democracies had increased in the 1970s. Michael W. Doyle argued that zones of liberal peace, known as the "pacific federation" in Kantian liberalism, existed among these democracies, which were capable of appreciating the international rights of foreign democracies and practised peaceful restrain amongst

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[135] Francis Fukuyama, *The End of History and the Last Man*, New York, The Free Press, 1992, pp. 45, 71.

[136] Fukuyama, *The End of History and the Last Man*, pp. xii–xiii.

them.[137] Doyle argued that, while these liberal democracies did not go to war with each other, they were likely to see non-democracies as threats, given they do not act under the same principle of peaceful restraint:

> Even though wars often cost more than the economic returns they generate, liberal republics also are prepared to protect and promote – sometimes forcibly – democracy, private property, and the rights of individuals overseas against nonrepublics, which, because they do not authentically represent the rights of individuals, have no rights to noninterference.[138]

In this manner, these liberal analyses of post-Cold War international relations observed the emerging of a new world order based on the leadership of the United States, which was supported by other liberal democracies to protect the political and economic order that succeeded to the old ideological conflict.

Realist views of the post-Cold War period, such as those of John J. Mearsheimer, Samuel P. Huntington and William Pfaff, saw that the bipolar structure of the Cold War had actually provided stability in the international system and that, therefore, the post-Cold War period would see increased conflict along old ethnic or what Huntington termed "civilisational" lines.[139] However, whether theorists took an optimistic liberal view or a pessimistic realist view of post-Cold War international relations, they were united in the view that the coming century would continue to be dominated by the United States,[140] and talk of the decline of the US hegemony dissipated.

Owen Harries points out that the renewal of post-Cold War US hegemony was "by default" due to the fall of the Soviet Union, and that it was therefore different from hegemonic changes where an aspiring power faced opposition. As Harries describes, "[o]ne moment the United States was part of a bipolar balance, the next it was left as the one superpower in a unipolar, unbalanced world...The speed with which things changed meant that American hegemony was an accomplished fact before anyone had time to react to it or attempt to prevent it."[141]

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137 Michael W. Doyle, "Liberalism and World Politics", *American Political Science Review*, vol. 80, no. 4, December 1986, pp. 1151–69, p. 1156.

138 Doyle, "Liberalism and World Politics", pp. 1162–63.

139 John J. Mearsheimer, "Back to the Future: Instability in Europe after the Cold War", *International Security*, vol. 15, no. 1, Summer 1990, pp. 5–56; Samuel P. Huntington, "Clash of Civilizations?", *Foreign Affairs*, vol. 72, issue 3, Summer 1993, pp. 22–49; and William Pfaff, "Invitation to War: Ethnic Conflict in the Balkans", *Foreign Affairs*, vol. 72, issue 3, Summer 1993, pp. 97–109.

140 Bruce Cumings, "Still the American Century", *Review of International Studies*, vol. 25, issue 5, December 1999, pp. 271–99, p. 271.

141 Harries, *Benign or Imperial?*, p. 9.

Peter Van Ness also uses US hegemony to describe the post-Cold War world. He argues:

> Ten years after the collapse of the Soviet Union, the debate about how best to understand our post-Cold War world continues with no resolution in sight...Amidst the contending images, and paradigms, however, there does seem to be a consensus about the predominance of US power. While there is much debate about how sustainable America's pre-eminent global role may be, few scholars today would contest the proposition that the United States is militarily, economically, and in most fields scientifically and technologically predominant."[142]

Therefore, the United States emerged as the sole country with the essential military and economic power, superior intelligence gathering capacities and also the political will and clout to act as the hegemon in the post-Cold War international system.

The Cold War is over, and Japan won...?

While Japan's economic peak passed with the burst of the stock market and real estate bubble in the early 1990s, this period continued to be coloured by the trade conflicts and US revisionist views toward Japan that were carried over from the bad economic relations and misconceptions of the previous decade.

President Bill Clinton also took on the harsh revisionist position during his first term by insisting that Japan needed to agree on quantitative targets in trade and market shares. An extension of the Semiconductor Agreement was settled in 1991, where the Japanese government recognised that the US semiconductor industry expected the foreign semiconductor to make up 20 percent of Japanese markets by the end of 1992. Despite this, the negotiations were again met unenthusiastically on both sides.[143] In the 1993 heads of state meeting with Kīchi Miyazawa, Clinton pressed the Japanese Prime Minister on this point, and concluded the US-Japan Framework for New Economic Partnership in July 1993. [144] As with the previous Semiconductor Agreement negotiations, while it seemed that an agreement had been concluded, the two heads of state came away from the negotiations with very different interpretations: Clinton believed he had a promise to meet qualitative and quantitative measures, while Japanese were relieved for not having to include numerical targets.[145] A similar deadlocked heads of state meeting was also held between Clinton and Morihiro Hosokawa in February

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[142] Peter Van Ness, "Hegemony, not anarchy: Why China and Japan are not balancing US unipolar power", *International Relations of the Asia-Pacific*, vol. 2, no. 1, 2002, pp. 131–50, pp. 131–32.

[143] Carla Hills, "Targets won't open Japanese Markets", *Wall Street Journal*, 11 June 1993, p. A10. Carla Hills was the negotiator for the 1991 Semiconductor Agreement.

[144] Vogel, "The 'Inverse' Relationship", p. 198.

[145] Vogel, "The 'Inverse' Relationship", p. 199.

1994 and, by June 1995, the trade conflict was again reached a new low over the importing of car parts.[146]

In June 1995, Clinton tried to renegotiate a new trade deal modelled on the Semiconductor Agreement, this time through Representative for the USTR Micky Kantor. Kantor met with the then Minister of International Trade and Industry, Ryūtarō Hashimoto, and again insisted on quantitative targets on trade.[147] Because of its fixed view of Japan as an economic threat, the United States paradoxically opened itself up to criticism from the Japanese by saying that the United States was demanding a managed trade agreement, which was, in fact, against the principles of free trade as stipulated by the World Trade Organisation (which had replaced the GATT).[148] However, as the decade developed and Japan's economic problems became clearer, the US revisionist position towards Japan dissipated.

Much like the previous decade, while US-Japan relations on the economic front looked pessimistic, they overshadowed positive security relations. Two decades of the trade conflict began to have an impact on the defence relationship, and both sides of the alliance began to show signs of drifting apart after the end of the Cold War. During President George H.W. Bush's visit to Tokyo in January 1992, he brought auto executives with him to highlight trade concerns,[149] and when Bill Clinton came to power in 1993, he was determined to deal with economic issues with the same importance as traditional security issues.[150] Interestingly, while the US Department of Defense gave Japan relatively harsh comments in its annual report, saying that Japan's contribution to collective security was far below the average of other US allies, in reality the increases in its financial contributions were above the average of US and NATO contributions, which were commended.[151]

The Gulf War of 1991 caused controversy in Japan, and is often considered a turning point in Japanese foreign and security policy. While the Japanese government promised the US support, Prime Minister Toshiki Kaifu was slow to move and, as a consequence, the US House of Representatives voted for Japan to pay the entire cost of

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146 Vogel, "The 'Inverse' Relationship", p. 203.

147 Robert M. Uriu, "The Impact of Policy Ideas: Revisionism and the Clinton Administration's Trade Policy toward Japan", in Gerald. L. Curtis (ed.), *New Perspectives on US-Japan Relations*, Tokyo, Japan Center for International Exchange, 2000, pp. 213–40, p. 230.

148 Uriu, "The Impact of Policy Ideas", p. 231

149 Vogel, "The 'Inverse' Relationship", p. 198.

150 Green, "Balance of Power", p. 25.

151 Hosoya, *Nichi-Bei Kankei Tsushi*, p. 279.

maintaining US troops in Japan, rather than the 50 to 75 percent it had hitherto been paying.[152] Calls were made for greater contributions in the form of human resources in international conflict resolutions, and a more generally proactive Japan in international relations.[153] To emphasise Japan's incompetence, President Bush did not invite Japan to the victory celebrations held in Washington after the Gulf War, nor did the Kuwaiti government thank the Japanese government in a public letter of appreciation.[154] Despite the Japanese government pushing through legislation so that it could dispatch the SDF as peacekeepers in 1992, its 13 billion dollar contribution was widely criticised,[155] and received strong accusations of "cheque book diplomacy" and "single-state pacifism."

Since then, the Gulf War has become a reference point in history for the Japanese government as an episode that should not be repeated. Japan did its best to send its Self Defence Force as quickly as possible for logistical support—the first overseas deployment since the Second World War—but there seemed to be an atmosphere of genuine shock in the Japanese government over the reactions it received. It suggests an unchanged Japanese attitude towards international security in the post-Cold War era, which relied on the United States to provide international security. It also forced the Japanese government to reassess its relationship with the United States, and created new fears of entanglement in US international ambitions and the perception that the United States might indeed be the new threat to Japanese security in the post-Cold War era.[156]

Based on these fears, some Japanese defence policymakers began to question the reliability of the alliance and whether alternative security arrangements should be considered, as manifested in the Higuchi Report of 1994.[157] The Report came about as an initiative of Prime Minister Morihiro Hosokawa who set up the Advisory Group on Defence Issues, a panel of major company executives, academics and former defence and foreign ministry bureaucrats, to discuss the future security role of Japan.[158] The Report of the Advisory Group, or the Higuchi Report, advised that, while the US-Japan

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152 LeFeber, *The Clash*, p. 387. By 1995, Japan was paying approximately 73 percent of the maintenance costs of the US bases. See US Department of Defense, "Kyōdō Bōei eno Dōmei Koku no Kōken (Shōyaku)" ("Report on Allied Contribution to the Common Defense [abridged translation]), *Sekai Shūho*, vol. 73, no. 48, 15 December 1992, pp. 66–72, p. 72.

153 Hughes and Fukushima, "US-Japan Security Relations", p. 67.

154 LeFeber, *The Clash*, p. 389.

155 Takakazu Kuriyama, "Challenges for Japan's Foreign Policy Future", *Japan Review of International Affairs*, vol. 14, no. 3, Fall 2000, pp. 196–220, p. 215.

156 LeFeber, p. 388.

157 Tatou Takahama, "What Future does the Japan-US Security System have?", *Journal of Japanese Trade and Industry*, vol. 3, 1995, pp. 35–37; Hughes and Akiko Fukushima, "US-Japan Security Relations", p. 70.

158 Tanaka, *Anzen Hoshō*, pp. 326–27.

alliance remained important, Japan should pursue defence more independent of the United States and participate in multilateral security arrangements.[159] Japan started to involve itself more in multilateral and regional fora and re-emphasised its commitment to the United Nations. Because of the drifting and sometimes acrimonious relations between the US and Japan, the Higuchi report, Hosokawa's initiatives and new commitments to multilateralism raised some concerns that the deterioration of US-Japan relations had persisted for too long, and confirmed the necessity for a review of the US-Japan alliance in the post-Cold War era.

The resulting US countermeasure for the drifting alliance was the Nye Initiative. Joseph Nye was appointed as the Assistant Secretary of State in 1994, and saw the revitalisation of the alliance, particularly in the post-Gulf war context, as his main responsibility. As a result, the relevance of the alliance in the post-Cold War period to both states and their commitment to it was reaffirmed by the time of the Clinton-Murayama summit meeting in January 1995,[160] despite ensuing difficulties in bilateral relations when a young girl was raped in Okinawa by three American soldiers later that year.[161] The East Asian Strategic Report that resulted from the Nye Initiative firstly declared the continuation to station approximately 100,000 troops in the Asia-Pacific, contrary to earlier statements by Secretary of Defence William Perry and the trends towards withdrawal of troops from the region earlier in the 1990s.[162] The report argued that the US presence in the region was "like oxygen; we take it for granted unless it is not available".[163] A guarantee of the US presence was particularly pertinent given the nuclear crisis on the Korean Peninsula, and the threat of war with the Democratic Peoples' Republic of Korea in June 1994. The Japanese side also responded with the Defence Agency's National Defence Program Outline, which stipulated greater bilateral co-operation in situations around Japan that would have an affect on Japanese security.[164]

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159 Tanaka, *Anzen Hoshō*, pp. 326–27.

160 Michael H. Armacost, *Friends or Rivals? An Insider's Account of U.S.-Japan Relations*, New York, Columbia University Press, 1996, p. 195.

161 Chalmers Johnson, *Blowback: The Costs and Consequences of American Empire*, New York, Henry Holt and Company, 2000, pp. 44–45.

162 Yōichi Funabashi, *Dōmei Hyōryū (Alliance Adrift)*, Tokyo, Iwanami Shoten, 1998, p. 276.

163 Joseph Nye, "The Case for Deep Engagement", *Foreign Affairs*, vol. 74, issue 4, July/August 1995, pp. 90–102, p. 91.

164 Aurelia George Mulgan, "Beyond Self Defence? Evaluation Japan's Regional Security Role under the New Defence Cooparation Guildlines", *Pacifica Review*, vol. 12, no. 3, October 2000, pp. 223–46, p. 233.

Thus, the 1990s was a period of difficult readjustment for both the United States and Japan. The easing of Japan's economic boom relieved US perceptions of Japan as a threat and saw a renewal of US hegemonic confidence, while Japan lost its international self-assurance, and struggled both on political and economic fronts. The 1990s were dubbed "The Lost Decade" for Japan and, given that Japan suffered its biggest diplomatic failure since the Second World War, it was difficult to argue that Japan emerged as a winner after the Cold War, nor that US influence over Japan had at all diminished.

US Hegemony post-11 September 2001

Trends in US Global Strategy and Theorists' Responses

The complexity of the continuing development of post-Cold War US hegemony increased after the United States was attacked by terrorists on 11 September 2001, unfolding a new international context of a "War on Terrorism" and US unilateralism. The temptation to act unilaterally was not new; indeed, conservative unilateralism has a long history in the United States,[165] and is often referred back to a tradition started in the Reagan administration. Furthermore, the US administration under George W. Bush had already signalled its unilateralism in acts such as signing but not ratifying the Comprehensive Test Ban Treaty (CTBT) and the rejection of the Kyoto Protocol on the environment.[166] However, the attacks served as a strong impetus to follow through with the neo-conservative vision that, in essence, approved the use of force—pre-emptive strikes—in order to achieve US national goals. Andrew J. Bacevich summarises the thinking behind these ideals as follows:

> "[I]f the United States is founded on universal principles, how can Americans practice amoral indifference when those principles are under siege around the world? And if they do profess indifference, how can they manage to avoid the implication that their principles are not, in fact, universal?" To [Robert] Kagan and other neoconservatives the answer was self-evident: indifference to the violation of American ideals abroad was not simply wrong; it was un-American...An authentically American foreign policy would reject amorality and pessimism; it would refuse altogether to accept the notion of limits of constraints.[167]

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[165] See Hirotsugu Aida, "Hoshu Shugi no 'Kiten' Rasseru Kāku ni Sakanoboru" ("The 'Origins' of Conservatism traces back to Russell Kirk"), *Foresight*, vol. 16, issue 5, May 2005, pp. 48–50.

[166] Michael Mastanduno, "The U.S.-Japan Alliance and Models of Regional Security Order" in G. John Ikenberry and Takashi Inoguchi (eds.), *Reinventing the Alliance: U.S.-Japan Security Partnership in an Era of Change*, New York, Palgrave Macmillan, 2003, pp. 21–42, pp. 33–34.

[167] Andrew J. Bacevich, *The New American Militarism: How Americans are Seduced by War*, Oxford, Oxford University Press, 2005, p. 87. In this passage, he is quoting Robert Kagan, a US neo-conservative scholar and political thinker.

Consequently, as the sole hegemon in the international system, the United States is potentially able to take actions that may defy international norms in favour of its own perceived interests, as would a rogue state but, due to the preponderance of its power, without the international objections and restraints that other weaker and rogue states might face.

Chomsky is critical of the neo-conservative leanings of the current US administration, and describes the intentions of the current US administration as "the most powerful state in history [striving] to maintain its hegemony through the threat or use of military force, the dimension of power in which it reigns supreme."[168] Chomsky quotes the US National Security Strategy of September 2002 to highlight these goals—"Our forces will be strong enough to dissuade potential adversaries from pursuing a military build-up in hopes of surpassing, or equalling, the power of the United States."[169] Christian Reus-Smit also bases his critical reflections of American power on "the neo-conservative ideas about American power and hegemony that inform the foreign and defence policies of the Administration of President George W. Bush,"[170] and describes its policies as "a project of hegemonic renewal."[171]

Ikenberry also supports this view of post-11 September 2001 US hegemony, and points out the changed nature of US international leadership under the Bush administration when compared to its role immediately following the Second World War. He argues that the hegemony currently pursued by the United States seeks to cement its position as a hegemon with no other competitor, and is "less bound to its partners and to global rules and institutions while it steps forward to play a more unilateral and anticipatory role in attacking terrorist threats and confronting rogue states seeking WMD [weapons of mass destruction]."[172] Ikenberry maintains that it is an extremely short-sighted and unsustainable pursuit that will not generate the international co-operation needed to solve global problems and US interests as seen in the immediate post-Second World War period. Ikenberry sums up current US hegemony by saying, "the new imperial power grand strategy presents the United States very differently: a

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168 Noam Chomsky, *Hegemony or Survival: America's Quest for Global Dominance*, Crows Nest, N.S.W., Allen & Unwin, 2003, p. 11.

169 "The National Security Strategy of the United States of America", White House, Washington D.C., September 2002, pp. 1–31, p. 30.

170 Reus-Smit, *American Power and World Order*, p. 3.

171 Reus-Smit, *American Power and World Order*, p. 10.

172 G. John Ikenberry, "America's Imperial Ambition", *Foreign Affairs*, vol. 81, no. 5, September/October, 2002, pp. 44–60.

revisionist state seeking to parlay its momentary advantages into a world order in which it runs the show."[173]

Recent discussions of US hegemony have also turned from hegemony to empire, questioning whether US interests constitute imperialist intent, and whether the global network it has built in the post-1945 period can be called an empire, particularly given the post-11 September 2001 emphasis on unilateralism and the Bush Doctrine. What concerns many of these academic discussions about current US hegemony is the strong conviction of the benevolence of the American Empire, and the defiant justification of military force that follows this belief. Bacevich invokes one of the five convictions that underpins neo-conservative thought and drives the current US administration's aspirations for Empire:

> First was the certainty that American global dominion is, in fact, benign and that other nations necessarily see it as such. Thus, according to Charles Krauthammer..."we are not just any hegemon. We run a uniquely benign imperium. This is not mere self-congratulation; it is a fact manifest in the way others welcome our power."[174]

Michael Mann argues that it is not uncommon historically for hegemons to rule by consent; rather what separates current US hegemony from that during the early days after the Second World War is its heavy dependence on military power, which Mann maintains will eventually undermine its legitimacy. He explains this together with his definition of hegemony:

> "[H]egemony" [is] a word which indicates that the imperial power establishes "the rules of the game" by which others routinely play. They may come to also approve of the rules as well, so that hegemony is more of a matter-of-fact acceptance of things "as they are." Then people's own everyday action help reproduce the dominance without much thought...Hegemony should be an invisible hand, lying behind the accepted rules of the game. The catch is that to be hegemonic, visible militarism abandons the rules and so risks losing hegemony...But the new imperialists went ahead, saying that success would bring legitimacy afterwards.[175]

Michael Cox also analyses the discussion that emerged after the September 11 terrorist attacks which considered the United States as having influence over a global empire: not in the critical ways as with the left's previous criticisms of the US empire, but among conservative policymakers as having the positive aim of building a more

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[173] Ikenberry, "America's Imperial Ambition", p. 60.

[174] Bacevich, *The New American Militarism*, p. 83.

[175] Michael Mann, "The First Failed Empire of the Twenty-First Century", in David Held and Mathias Koenig-Archibugi, *American Power in the Twenty-First Century*, Cambridge, Polity Press, 2004, pp. 52–82, p. 57.

stable order that could see the United States retained semi-permanently as the hegemon.[176]

> Indeed, what many of them appeared to be saying was as shocking to some as it was unacceptable to others: namely, that America was an Empire anyway, and in an increasingly threatening epoch where the United States stood in an almost unrivalled position, it had both the capacity and the need to act in a far more assertive fashion. Admittedly it would be doing so for essentially benevolent reasons; and its actions were more inspired by fear of the outside world than any desire to take it over. However, that did not mean that it should not act in an imperial fashion. Nor should the US apologise for doing so.[177]

Therefore, Cox argues that the US Empire is backed by the neo-conservative philosophy of supporting US hegemony with overwhelming military power, and taking decisive action so that "no other power would even dream of becoming a rival".[178]

In his analysis of the American Empire in *Blowback*, Chalmers Johnson also discusses in depth the unintended consequences of US policies on Americans and increasingly those under US influence[179]—what the Central Intelligence Agency (CIA) originally termed "blowback"—encountered in the spread of America's informal empire. Johnson argues that the American Empire is not an "empire" in the traditional sense—that is, it does not signify territorial expansion, legal dominion over another sovereign state and economic exploitation—but, rather, that it is a modern empire that "lie[s] beneath some ideological or juridical concept—commonwealth, alliance, free world, the West...that disguises the actual relationships among its members".[180] Like others critical of the neo-conservative turn that the United States has taken after the Cold War, Johnson argues that US hegemony has developed into blind self-righteousness which often justifies the use of hard-line policies and military force to achieve its interests:

> ...evidence is building up that in the decade following the end of the Cold War, the United States largely abandoned a reliance on diplomacy, economic aid, international law, and multilateral institutions in carrying out its foreign policies and resorted much of the time to bluster, military force and financial manipulation"[181]

Johnson's argument warns that the imperial overextension and hubris, employed by the United States as an attempt to maintain its global influence, is in fact increasing

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176 Michael Cox, "Empire, imperialism and the Bush doctrine", *Review of International Studies*, vol. 30, issue 4, 2004, pp. 585–608, p. 589.

177 Cox, "Empire, imperialism and the Bush doctrine", p. 589.

178 Cox, "Empire, imperialism and the Bush doctrine", p. 596.

179 Johnson, *Blowback,* p. 8, p. 17.

180 Johnson, *Blowback*, p. 19.

181 Johnson, *Blowback*, p. 217.

"blowback" scenarios and undermining its legitimacy internationally. Like Mann, he argues, that this is ultimately the beginning of the undoing of its own Empire.

While the conservatism of the Bush doctrine is by no means new, after the 11 September 2001 terrorist attacks, the optimism of liberal victory of the early post-Cold War gave way to the Bush administration worldview. The 11 September 2001 attacks challenged US complacency and, at the same time, further fuelled the reinforcement of American ideals and rules across the world. The context in which the United States exercised its hegemony—and the degree of power it held during the past sixty years—have varied, but there is a broad consensus that the United States is continuing to hold the position of hegemon in the world in the 21st century.

Japan's Displays of Military Resolve

The 11 September 2001 terrorist attacks happened three days after the 50th anniversary of the US-Japan alliance, and thus the potential Japanese response represented a new test of its efficiency and commitment in the face of a crisis.[182] Two major elements have influenced the Japanese response to those attacks: the memories of the disastrous Japanese response to the Gulf war in 1991; and the unilateralist attitudes of the Bush administration.

While Japan is not obliged to defend the United States under the US-Japan Security Treaty as the Japanese constitution bans the exercise of collective security,[183] the military countermeasures undertaken by Japan within its constitutional limitations can be argued as being strongly influenced by the international criticism Japan received when it attempted to make only financial contributions during the first Gulf War. That Gulf crisis drew the Japanese government's attention to the fact that it was viewed internationally as being an actor with significant power based on the strength of its economy, and a country that benefited from international stability. International expectations of Japan were that it should see the security of its international surroundings as a major concern and thus contribute to conflict resolution, despite its constitutional restrictions. Therefore, demonstrations of commitment and flexibility in military operations formed an integral part of the Japanese response after the 11

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[182] Matake Kamiya, "Reforming the U.S.-Japan Alliance: What should be done?" in G. John Ikenberry and Takashi Inoguchi (eds.), *Reinventing the Alliance: U.S.-Japan Security Partnership in an Era of Change*, New York, Palgrave Macmillan, 2003, pp. 91–116, p. 99.

[183] Kamiya, "Reforming the U.S.-Japan Alliance", p. 99.

September terrorist attacks as a sign of its commitment and responsibility to not only the US-Japan alliance, but also the international realm.

Secondly, as indicated in President Bush's 2002 State of the Union address, the underlying philosophy of the current administration was that states were "either with...or against" the universal good represented by US foreign policy.[184] While the Japanese government had considered long-term economic and security co-operation with the United States, given that the Bush Doctrine had such clear cut notions of good and evil, the Koizumi government had little choice but to show its support for the "War on Terrorism". This support was categorised by the Japanese government as "security co-operation" and "international co-operation", which did not demarcate Japan's activities based on the US alliance and UN peacekeeping as clearly as it previously had.[185]

Therefore, as a consequence, Prime Minister Junichirō Koizumi swiftly condemned the attacks as "an unfair and unforgivable act of violence that challenges democracy" and that "[Japan] does not hold back its support and co-operation [with the United States]".[186] These remarks were followed by a seven point emergency plan and an Anti-terrorism Special Measures Law passed on 18 October 2001.[187] Based on this law, which aims to minimise the threats caused by the 11 September 2001 attacks, on 9 November Japan's Self Defence Force sent Aegis cruisers, supply ships and aircraft to the Arabian Sea in support of the US-led "Operation Enduring Freedom" in Afghanistan and, more importantly, to "show the flag" and demonstrate Japan's commitment to the "War on Terrorism".[188] This move was also significant as the first dispatching of

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184 State of the Union Address, 29 January 2002, The White House Website, http://www.whitehouse.gov/news/releases/2002/01/print/20020129-11.html, accessed 10 May 2006.

185 Aurelia George Mulgan, "Japan and the Bush Agenda; Alignment or divergence?", in Mark Beeson (ed.), *Bush and Asia: America's Evolving Relations with East Asia*, London, Routledge, 2006, pp. 109–27, p. 111.

186 Junichiro Koizumi, as quoted in "Shunō tachi no Dai issei" (First comments of World Leaders), in *Foresight*, Special Edition on the 11 September 2001 attacks, 3 October 2001, p.3. Also see "Statement by Prime Minister Junichiro Koizumi at the Press Conference", *Prime Minister and His Cabinet Website*, 12 September 2001, http://www.kantei.go.jp/foreign/koizumispeech/2001/0912kaiken_e.html, accessed 26 June 2006. For an analysis on the domestic political reforms which enabled Koizumi to act in this decisive manner, see Tomohito Shinoda, "Koizumi's Top-Down Leadership in the Anti-Terrorism Legislation: The Impact of Political Institutional Changes", *SAIS Review*, vol. 23, no. 1, Winter/Spring 2003, pp. 19–34.

187 "Tero Taisaku Tokuso hōan, Shūin Tokubetsuin de kaketsu, Kongetsu Gejun ni Seritsu e" (Special Law on Antiterrorism, Passed by the Lower House Special Committee, Establishment at the end of the Month), 17 October, 2001, *Asashi.com*, accessed 9 July 2002. The Special Law was implemented on 29 October 2002.

188 Eric Heginbotham and Richard J. Samuels, "Japan's Dual Hedge", *Foreign Affairs*, vol. 81, no. 5, September/October 2002, pp. 110–21, p. 110.

Japanese forces in the absence of UN sanctions since the Second World War.[189] Therefore, by Japanese standards, this was a bold and remarkably quick response that overcame political opposition and the legal restraints of Article 9.[190]

Furthermore, the six-month mission of the Japanese SDF to support the US campaign was reviewed in May 2002 and extended for another six months on the grounds that the risk of further terrorist attacks against the United States remained high.[191] Japan's Maritime Self Defence Force (MSDF) also participated in multinational naval exercises off Hawaii hosted by the US Navy's Third Fleet that simulated terrorist attacks and a regional conflict.[192] Japan's role was to "inspect suspected enemy ships and conduct other activities while looking out for attacks from the air using advanced radar of the Aegis air-defence system".[193] Indications of the preparedness of the Japanese Self Defence Force (SDF) to participate in the US campaign in Afghanistan is therefore important internationally as a gauge to demonstrate Japan's reliability as a partner to the United States and its support for continuing US hegemony.

Significantly, in July 2003 the Law Concerning the Special Measures on Humanitarian and Reconstruction Assistance in Iraq was enacted, which enabled the dispatch of the 1,000 SDF personnel to Iraq to engage in humanitarian and reconstruction assistance activities, particularly in the Samawah region of south-eastern Iraq.[194] While the Japanese government's response to 11 September 2001 attacks and the "War on Terrorism" departs considerably from its response to the Gulf War, SDF activities in Iraq continue to be focused on humanitarian reconstruction.[195] The deployment of the SDF in Iraq was extended twice, each time for a year, putting the Japanese troops in their third year in Samawah.[196] The Japanese deployment of the SDF

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189 G.V.C. Naidu, "Japan's Security at the Crossroads: Challenges and Initiatives", *Strategic Analysis*, vol. 28, no. 4, October/December 2004, pp. 487–502, p. 497; "'Jizen Shōchi nashi wa Jisatsu kōi' Tero Tokusohō wo Yatō ga Hihan" ("'No Prior Approval a Suicidal Move' The Opposition Party criticises the Antiterrorism Special Law"), *Asahi Shimbun*, 29 October 2001; Nayan Chandra, "Japan's Navy is Back, and There's No Cause to Be Alarmed", *International Herald Tribune*, 22 November 2001.

190 David Leheny, "Tokyo Confronts Terror", *Policy Review*, Issue 110, December 2001/January 2002, pp. 37–47, p. 37.

191 "Hundreds Sue Government over Antiterrorism Law", *Kyodo News* (English), 10 July 2002.

192 "Japan to Command US Warships in Naval Exercise", *BBC Monitoring Asia Pacific*, 8 July 2002.

193 "Japan to Command US Warships in Naval Exercise", *BBC Monitoring Asia Pacific*.

194 "Developments in Japan's Diplomacy", Chapter 1, *Diplomatic Bluebook for 2003*, accessed from MOFA Website, http://www.mofa.go.jp/policy/other/bluebook/2003/chap1.pdf, accessed 15 October 2005, p. 5, "Personnel Contribution", p. 20.

195 Eric Heginbotham and Richard J. Samuels, "Japan", in Richard J. Ellings and Aaron L. Friedberg with Michael Wills, *Strategic Asia, 2002–2003: Asians Aftershocks*, Seattle, The National Bureau of Asian Research, 2002, pp. 95–130, p. 98.

196 "SDF Mission in Iraq", *Asahi Shimbun*, 10 December 2005, http://www.asahi.com/english/Herald-asahi/TKY200512100146.html, accessed 1 January 2006.

for operations outside a UN mission has been received positively by the United States as "a victory for supporters of the U.S.-Japan alliance and a validation of their strategy to nudge Japan toward a greater role in regional security."[197]

Thus, the 11 September 2001 attacks have been instrumental in moving Japan further towards acquiring a "normal" military role. However, its alliance with the United States has restricted Japan's choices to following the "safe option" of financial and humanitarian support, and has forced Japan to deploy the SDF in missions outside the auspices of the United Nations. In the post-11 September 2001 world, the Japanese government has had little choice but to respond to US calls for solidarity and action against international terrorism, particularly because of the criticisms Japan faced in the Gulf War of 1991. Whilst Japan has taken decisive military measures in the recent "War on Terrorism", one can argue that it still finds the decisive action which the United States requests from its allies in the current war somewhat uncomfortable; as demonstrated by the domestic opposition to the SDF deployment and the extension of the Japanese mission in Iraq. [198] There is also evidence that the wider Japanese bureaucracy is ambivalent to recent SDF deployments.[199]

Conclusion: US hegemony and its impact on Japanese Foreign Policy

The aim of this chapter was to answer two main questions: first, what is the extent and impact of US hegemony on Japanese foreign policy; and second, does the outcome of this reflect two differing perceptions of the hegemonic system between the United States and Japan?

The impact of US hegemony on Japanese foreign policy

The examination of the emergence of the United States as a hegemon in the post-1945 period, its influence on Japanese foreign policy and the theoretical debates on hegemony in International Relations demonstrates that continued US hegemony throughout this period has had significant effects on Japanese foreign policy. The relationship is essentially hegemonic—not only from the fact that it began from unequal

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197 Brad Glosserman, "Making History the Hard Way", *Comparative Connections: An E-Journal on East Asian Bilateral Relations*, Fourth Quarter, 2001, January 2002, http://www.csis.org/pacfor/cc/0104Qus_japan.html, accessed 18 March 2002.

198 "SDF Mission in Iraq" *Asahi Shimbun*, 10 December 2005; "Jieitai Iraku Haken Enchō, Sumiyaka ni Tettai no jyunbi wo", *Asahi Shimbun*, Morning edition, 9 December 2005, p. 3; "Zai-Iraku no Jieitai mata Haken wo Enchō", *Asahi Shimbun*, Morning edition, 11 December 2005, p. 25.

199 Masanori Nishi, Head of the Secretarial Division, Japan Defence Agency, interviewed 23 June 2003, Tokyo.

power relations after the Japan's defeat in war, but also from the enduring legitimacy that the United States established globally and from the infusion of its political vision into Japan throughout the post-1945 period. In particular, the hegemonic relationship between the United States and Japan is institutionalised in the US-Japan Security Alliance, and Japan's dependence on the United States for national security continues to characterise the relationship as hegemonic, despite dramatic increases in Japan's economic and military capacities.

In the first stage of the development of US hegemony, the inequalities between the United States and Japan were obvious and, as a defeated state, Japan was in a position with little negotiating margin. While both SCAP and the United States had, in theory, emphasised a sense of Japanese independence, Japan was ultimately part of a larger strategic picture in the Cold War for the United States and, as a result, policies such as remilitarisation and stringent economic reforms were prescribed, to which Japan adapted as best it could. In particular, the "rules" established by the United States for the future of Japan's military development—Article 9—were modified in the name of US interests. The 1960s represented a consolidation of Japan's acceptance of restricted autonomy within US hegemony. While Japan was able to achieve rapid economic growth during this period, it faced one of its first confrontations between US and Japanese interests in the renewal of the US-Japan Security Treaty and Japan's co-operation with the United States in the Vietnam War during the 1960s. The threat of communism and the fact that Okinawa remained under American control in particular influenced Japan's concession to US demands.

The United States experienced a relative decline in its power in the second stage of US hegemony. In the context of the US-Japan relations, US decline manifested itself most evidently in the Nixon Shocks and in the bilateral trade friction of the 1970s and 1980s. A change in the US approach to Japan is exemplified both when it bypassed Japan to resume its relations with China and when it made tough demands in the textile conflict. As Japan began to excel within the rules restrictions of US hegemony, the United States again tried to modify the "rules" of liberal trade, by demanding concrete quotas and market shares in the Japanese market to suit its interests. While Japan grew to be perceived as an economic challenge to the United States and attempted to become more independent in some aspects of military equipment production, it nonetheless remained co-operative in the name of better long-term relations with the hegemon.

The third stage in the development of US hegemony saw the United States regaining hegemonic confidence through the end of the Cold War. While some touted that Japan had "won" the Cold War, the burst of the economic bubble and the political embarrassment of its response to the Gulf War was a far cry from a victory. However, the criticism that Japan received during the Gulf War was again a change in the "rules" under which Japan operated: this time, Japan was required to act more assertively under US hegemony, and most significantly, send the SDF overseas in international crisis situations. While the greater Japanese public had become use to Japan's position as a pacifist nation, US needs initiated a review of Japan's international role in the post-Cold War era.

Finally, in the post-11 September 2001 stage of US hegemony, changes in the "rules" during the Gulf war continued to inform Japan's decision to send the SDF to Afghanistan and Iraq, despite it not being a UN sanctioned mission. The changed characteristics of US hegemony and the "either with us or against us" mentality of the "War on Terrorism" has also acted as a threat to US allies, indicating that, should states fall out of favour with the hegemon, they could be the next target. However, more realistically for Japan, the changed attitude of the US administration raised new fears over the US commitment to its defence in the face of a terrorist attack on Japanese soil.

The chronological observation of the development of US hegemony highlights the fact that, while the depth of US hegemonic influence and the legitimacy of its international position have waxed and waned, it has steadily maintained influence over Japan throughout this period, and the impact of US hegemony on Japanese foreign policy has been significant. United States hegemony has enabled Japan to achieve certain goals, but often in controlled and restricted ways that usually suited US interests. In other words, Japan's economic and military capacities have grown over the last 60 years, but only as much as US interests would permit. In some instances, economic development was restricted and Japan was not as autonomous as it could have been, but on the other hand in the military context, Japanese capabilities were expanded beyond its comfort zones to meet US strategic needs. From this, the fact that US hegemony influences the boundaries and rules of Japanese foreign policy shows that Japan is unable to act as rationalist theories assume, and that its autonomy is significantly restricted.

Two Differing Perceptions of the Hegemonic System

This chapter also demonstrated the two perceptions of the US hegemonic system in the US-Japan relationship: a pessimistic realist perspective of the hegemon, and Japan's perspective of itself as being deeply integrated into US hegemony. This is most evident in changing US perceptions of Japan when its international influence increased or declined, while Japan's support for US hegemony in comparison remained relatively constant. Particularly during the 1980s, the United States held a deep mistrust of its subordinate ally, which carried over well into the 1990s. On the other hand, Japan's support of US hegemony has been stable, and it often has sacrificed immediate national interests for the sake of maintaining US leadership.

Between 1945 and 1970, the United States remained confident of its hegemonic authority and saw minimal levels of threat in Japan. There were concerns over potential residual militarism in Japan, but this "threat" perception was eventually overridden by the US's larger strategic concerns during the Cold War, and priority was given to the rearmament of Japan. Japan, on the other hand, was faced with the reality of state reconstruction, and thus accepted its position as a subordinate state under US hegemony as the best way to achieve this. In this sense, to use Kang's expression, Japan was still "low in the pecking order", even amongst the subordinate states under US hegemony, thus causing the United States no alarm.

However, as US relative power declined during the 1970s and 1980s, its perception of its position in the world became unstable. As a consequence, the United States scaled back some of its global commitments to protect its own interests. This was seen in its withdrawal from military leadership in the Nixon Doctrine and also its withdrawal as a monetary and financial leader following the collapse of the Bretton Woods system. The United States also became increasingly suspicious of Japanese intentions behind its increase in economic and military capabilities, and sought to protect its hegemonic leadership. This was done through attempts to impose trade quotas on cars and semiconductors, and also by pressuring Japan to direct its money away from defence and technological development for greater ODA spending. Kang argues that "as long as the lesser states acknowledge the unrivalled position of the central state, the central state respects the autonomy and sovereignty of the lesser

states",[200] and clearly, the United States did not see Japan's newly-found confidence as being compatible with a continuation of it recognising US hegemony.

While the hegemon saw its own leadership as being in decline, Japan not only continued to perceive its world as being defined by US hegemony, but actively worked to support and maintain US leadership. The fact that Japan acted as a major financial supporter of the United States, through its disadvantageous revaluation of currency in the Plaza Accord and its integral position in sustaining the Reagan administration's extraordinary defence spending, is particularly significant. Furthermore, Japan's backing came at the height of its economic power and when it was more capable of challenging the United States than at any other time in the post-1945 period. As the United States regained its hegemonic confidence after the Cold War, residual suspicions over Japan's international movements remained from the greater political freedom enabled by the end of ideological conflict. However, Japan's foreign policy during the first decade after the Cold War and its current support of the "War on Terrorism" indicate an enduring perspective that it continues to function in a hegemonic system with the United States at the core. Therefore, the history of post-1945 Japanese foreign policy suggests that Japan still functions in a system of hegemony and recognises the United States as an unrivalled global power, while the United States functions under its own more distrustful outlook of the international environment. Specifically, Japan's perception of hegemony does not necessarily seek to balance the United States in ways anarchic theories may assume. Subsequently, Japan often modifies its policies within the restrictions of US interests and pursues a narrower form of autonomy.

Having established that the United States has one perception of its hegemonic position in the world and that Japan has a differing perception of this hegemony, the argument developed in the following chapter seeks to illustrate that differing perceptions of hegemony lead to different expectations of state behaviour and, more importantly, differences in views on the boundaries of autonomy in hegemonic relationships. The next chapter evaluates Japan's expectations of autonomy and how it maintains this under hegemony. More specifically, it explores Japanese conceptions of autonomy in Japanese political philosophy, academic discussions of Japanese foreign policy and also government assessments of autonomy. Based on these domestic conceptions of autonomy and their influences on foreign policy, a definition of Japanese autonomy is proposed.

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[200] Kang, "Hierarchy and Stability", p. 168.

CHAPTER THREE

JAPAN'S PURSUIT OF AUTONOMY

The purpose of this chapter is to answer the following questions: What expectations and experiences of state autonomy has Japan had, and how has its understanding of autonomy shaped its foreign policy pursued under the hegemony of the United States? It firstly identifies how autonomy is interpreted in Japanese philosophy and history, and how this interpretation has influenced its post-1945 foreign policy in addition to Japan's broader perspective of the hegemonic system. The previous chapter explored the specific characteristics of US hegemony and how it affected Japanese foreign policy throughout the post-Second World War period. It also established that, within this context, differing perceptions of hegemony led to varying expectations of state behaviour and most importantly, differences in views concerning the boundaries of autonomy in the hegemonic relationship. Therefore, while the previous chapter developed US and Japanese perceptions of hegemony, the specific characteristics of the autonomy practised by Japan within hegemony are yet to be addressed, and these concerns are examined in this chapter. Secondly, it compares a more historically and socially specific experience of Japan's autonomy with notions of autonomy as defined in International Relations theory, and relates the analyses of the chapter back to the theoretical discussion in Chapter One.

To evaluate the Japanese experience of state autonomy, three bodies of literature are examined. They are Japanese modern political philosophy on notions of the state through four major Japanese political philosophers; the Diplomatic Bluebooks issued from the Ministry of Foreign Affairs (MOFA), Diet speeches and political speeches of Japanese Prime Ministers, and academic literature on Japanese foreign policy. An analysis of major political philosophy traditions in Japan is vital because it gives valuable insight into Japanese conceptions of modern statehood. The four philosophers discussed were chosen, firstly because they are philosophers on modernity and are representative of their time—Fukuzawa, was influential in the Meiji Restoration; Nishida was the founder of the Kyoto school of philosophy,[1] which is considered

[1] The Kyoto School is a "philosophical movement centered at Kyoto University that assimilated Western philosophy and religious ideas and used them to reformulate religious and moral insights unique to the East Asian cultural tradition." See D.S. Clarke, Jr., "Introduction" in Keiji Nishitani, *Nishida Kitarō*, translated by Yamamoto Seisaku and James W. Heisig, Berkeley, University of California Press, 1991, pp. 4–6.

"modern Japan's pre-eminent school of philosophy"[2], and Takeuchi is also touted as "one of the most challenging and astute thinkers of modernity" in Japan.[3] Each was chosen for his engagement with Western ideals and concepts of modernity. None of them prescribe to a blind admiration to the West. Yet neither do they hold on to Japanese values and ideas in blind patriotism. Fukuzawa, for example, was convinced that Japanese tradition contained elements that could lead to the efficient adaptation of Western civilisation and the development of an indigenous equivalent. Maruyama also dedicated his intellectual life to discovering signs of indigenous modern thought within Japan's own intellectual tradition.

A second reason for chosing these particular philosophers is that because they were not only prominent in the discussion of modernity and Japan, their ideas clearly influenced the Japanese government and its foreign policy. Nishida's authority on modernity was expressed in academic thought passed down through his influence on many of his students; some whom went on to become prominent nationalists.[4] Fukuzawa, for instance, travelled to the United States as an envoy of the Tokugawa shogunate and also worked as an official translator and negotiator for the shogunate. He was invited to join the Meiji government service after the Tokugawa forces were defeated.[5] Thus, he was effectively a political advisor to the Japanese government on matters pertaining to the West at the cusp of Japan's modernisation.[6] The government of Japan was also acutely aware of Takeuchi and Maruyama's thoughts on post-Second World War Japan. Both took an active part in public debates and political movements surrounding the signing of the 1960 US-Japan Security Treaty, and advocated Japan's international neutrality.[7] They were also considered powerful democratic opinion leaders who challenged Japan's post-1945 "reverse path" that supported pre-war political structures and worked to deflect issues of war responsibility away from the

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2 David Williams, "In Defence of the Kyoto School: Reflections on philosophy, the Pacific War and the making of a post-White World", *Japan Forum*, vol. 12, issue 2, September 2000, pp. 143–156, p. 143.

3 Yoshimi Takeuchi, *What is Modernity? Writings of Takeuchi Yoshimi*, translated by Richard Calichman, New York, Columbia University Press, 2005, p. 5.

4 For an analysis on the work of Iwao Kōyama and Masaaki Kōsaka and their influence on Japanese nationalism, see James W. Heisig and John C. Maraldo (eds.), *Rude Awakenings: Zen, the Kyoto School, and the Question of Nationalism*, Honolulu, University of Hawaii Press, 1995.

5 Shunsaku Nishikawa, "Fukuzawa Yukichi (1835–1901)", *Prospects*, vol. 23, no. 3/4, 1993, pp. 493–506, pp. 495–496.

6 Carmen Blacker, *The Japanese Enlightenment: A Study of the Writings of Fukuzawa Yukichi*, Cambridge, Cambridge University Press, 1964, p. 23.

7 Yoshimi Takeuchi, *Fufukujū no Isan (The Legacy of Non-Obedience)*, Tokyo, Chikuma Shobō, 1961, p. 106–107; Rikki Kersten, *Democracy in Postwar Japan: Maruyama Masao and the Search for Autonomy*, London, Nissan Institute/Routledge, 1996, p. 201.

Japanese state.[8] Because of their prominence in the Japanese public, the Japanese government had to be constantly mindful of their ideas as a manifestation of public sentiment. As a result their ideas on modernity and Japan, together with Japanese conceptions of individual and state autonomy were known to the Japanese government and influenced foreign policy.[9] These insights in turn shed light on Japanese interpretations of state behaviour and its motivations and, as a consequence, its perceptions of state autonomy.

An in-depth examination of the Diplomatic Bluebooks and other government documentation such as Diet records and Prime Ministerial speeches are additionally important when tracing the influences of Japanese political philosophy upon its foreign policy following the Second World War. Whilst these government documents may contain a degree of official rhetoric, the Diplomatic Bluebooks are strong indicators of the international image that Japan wanted to project externally, and Diet speeches demonstrate the domestic discussions surrounding the external image MOFA was trying to project. However, in all of the government sources, the tension between Japan's own ideas of autonomy and greater external international leadership pressures as a result of its increased economic capabilities is particularly evident.

Finally, the academic literature on Japanese foreign policy in this chapter has been chosen because demonstrate that the tensions between domestic and international expectations of Japanese state autonomy as seen in the Diplomatic Bluebooks and other government documents, are also paralleled in academic analysis. More importantly, the literature selected in this Chapter particularly highlights the deficiencies in rationalist analysis when applied to interpretations of Japanese foreign policy analysis in general. They demonstrate that rationalist thinking encourages the assumption that self-help will lead to either defensive realism or offensive realism, which is not helpful when analysing Japanese autonomy.[10]

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8 Kersten, *Democracy in Postwar Japan*, p. 22; Lawrence Olson, "Takeuchi Yoshimi and the Vision of a Protest Society in Japan", *Journal of Japanese Studies*, vol. 7 no. 2, Summer 1981, pp. 319–348, p. 346.

9 Without access to documents available only in Japan it is difficult to be certain about the direct interaction Takeuchi and Maruyama had with policymakers, and therefore their direct influence on the Japanese government. It is however reasonable to think that they have because of their public prominence and there is no evidence to suggest that they had been ignored while attention has been paid to other political commentators.

10 In the case of Japan, explanations pointing to neo-mercantilist maximisation of interest should be categorised as an example of offensive realist views of state behaviour due to its constitutional military restrictions.

The analyses of the three bodies of literature demonstrate that, in addition to Japan's different perception of post-1945 US hegemony, Japanese notions of autonomy are complicated by conflicts between the Japanese experience of independence and statehood, and Western notions of modernity and the sovereign state. This chapter reveals that Japan has not followed a linear model of modernisation and development into a Western state that fits neatly into a "postulated anarchic state system...[that] depends upon each of the major actors understanding this system in the same way" within a "nonhistorical mode of thinking".[11] Rather, Japanese notions of modern statehood and individuality are narrower than what rationalist theories of International Relations assume, from the very fact that it is emulating external—namely Western—values and ideas. In other words, notions of independence become restricted when sourced from an emulation of external culture and ideas. This argument again highlights the problematic assumptions prevalent in those rationalist theories discussed in Chapter One, and further strengthens the need for an explanation of Japanese autonomy under US hegemony that, as Cox argued, is more historically and socially detailed. This chapter aims to address this and also determine, with greater nuance, the meaning and value of autonomy in Japanese foreign policy and how it is pursued.

Japanese Philosophies on the Nation, Self, Sovereignty and Autonomy

The first chapter revealed the dominance of rationalist assumptions in International Relations theory and how, as a consequence, there is very little specific focus on autonomy as a distinct concept. This is because the distinction between official sovereignty and the actual capabilities of the state to pursue autonomy is often blurred, as autonomy is implicitly assumed as being a part of sovereign statehood in rationalist analyses. Further shortcomings are encountered when discussing the International Relations literature, in that such writings largely originate in Western experiences and analysis, and do not take into account differences in the experience of statehood and autonomy in other cultural contexts. On the other hand, non-rationalist theories of IR suggest that there can be no one objective interpretation of a concept, and that sovereign statehood, autonomy, and what they mean are historically-, socially- and purpose-specific. This section draws from this non-rationalist argument by examining Japanese philosophies of modernity and the state to address and overcome the aforementioned limitations of rationalist assumptions of autonomy.

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[11] Cox, "Social forces, states and world orders", pp. 92–93.

Japanese political philosophy is an important element in defining the meaning of autonomy in the Japanese context. It deals with the historical and social factors driving Japanese foreign policy through its discussions of the modern individual, civil society and modern nation statehood in the Japanese context. By revisiting these basic elements, the characteristics of the Japanese modern state in turn can be identified—a non-Western state trying to define itself through the ideas and constructs of Western modernity. Subsequently, the Japanese experience highlights a modern state that is more introspective and ultimately defines its "independence" and "modernity" through external cues and influences. This in itself is a contradiction of autonomy as it is an inner force of active independence as described in the modern Western ideals that modernising Japan should emulate. Therefore, not only do Japanese political philosophy traditions confirm that statehood, state motivations and autonomy can vary across states, they further strengthen the argument that state autonomy for Japan is conceived within narrower boundaries, and add a further complementary layer to the argument that Japan pursues a limited conception of autonomy within the broader context of contemporary US hegemony.

Four Japanese Interpretations of Modernity

Many Japanese political philosophers from the Meiji period to the Second World War are significantly influenced by Western notions of modern statehood and consequently use the same language when speaking of modernity. Yasuo Yuasa argues:

> "[M]odern Japanese culture, including philosophy, is at least outwardly, a branch of Western culture. [Especially] in the case of philosophy, pre-modern Japanese could not understand the notion itself. In other words, for Japan, modernisation was synonymous with Westernisation."[12]

As a result, much of the terminology of modern statehood and citizenship is derived from the West.

For Japan, the discovery of its modern self as a state was an externally influenced movement that occurred 300 years after European modernisation during the Meiji Restoration.[13] However, the modernisation of Japan was not only an interaction between internal and external ideas—and an issue of "catching up" with the West—but it also necessitated introspection about how Japan was going to advance its state interests, and

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[12] Yasuo Yuasa, *Kindai Nihon no Tetsugaku to Jitsuzon Shisō (Modern Japanese Philosophy and Existential Thought)*, third edition, Tokyo, Sōbunsha, 1989, p. 4.

[13] Yuasa, *Kindai Nihon no Tetsugaku to Jitsuzon Shisō*, p. 4.

which traditions it was going to preserve within a modern Western environment. Despite this, Japan and its citizens' modern self-image has nevertheless developed in constant reference to external images, values and ideas. This is in strong contrast to the Western experience of modernity, which grew internally from the Protestant Reformation[14], the enlightenment movement and the Renaissance during the 16th century.[15] Thus, just as "the Orient had helped to define Europe as its contrasting image, idea, personality, experience"[16] in Orientalism, the opposite was true for Japan: the West was intrinsically important in defining modern Japan.

However, as the Japanese adopted these Western concepts, slight changes emerged. Yuasa argues that a distinct *kussetsu* (屈折)—literally meaning a refraction or distortion[17]—occurred when "Western philosophies and traditions and Japanese cultural traditions [became] entangled with each other".[18] This *kussetsu* influenced the national consciousness of the newly modernised Japanese citizens, and also the intellectuals' sense of self at the time.[19] This section examines four major Japanese interpretations of modernity in order to identify the *kussetsu* that might be found in Japanese interpretations of state autonomy. The discussion firstly focuses on Yukichi Fukuzawa (1835—1901) in order to analyse one of the most commonly cited examples of altered or modified Western concepts, *wakon yōsai* (和魂洋才), translated as Japanese spirit, Western technology. Secondly, Kitarō Nishida's (1870—1945) search for synthesis of Western and Japanese philosophies from a Buddhist perspective is examined. Thirdly, Yoshimi Takeuchi's (1910—77) critical views on the political philosophy of war-time

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14 The Reformation forms the basis of rational philosophies and the notion of the rational and independent self. Martin Wight summarises the significant changes of the time: "The common man's inner circle of loyalty expanded, his outer circle of loyalty shrank, and the two met and coincided in a doubly definite circle between, where loyalty before had been vague. Thus the modern state came into existence; a narrower and at the same time a stronger unit of loyalty than medieval Christendom." See Wight, *Power Politics*, p. 25.

15 Many modern independent city-based states emerged in Italy during the 16th century. Citizens of the state were able to defy and break free from medieval religious authority by establishing their own free-standing political system. Jacob Burckhardt, *The Civilization of the Renaissance in Italy,* Basingstoke, Macmillan, 1958, pp. 26–44.

16 Edward Said, *Orientalism*, third edition, London, Penguin, 1991, pp. 1–2.

17 As defined in Martin Collick, David P. Dutcher, Sōichi Tanabe and Minoru Kaneko, *Kenkyūsha's New College Japan-English Dictionary*, fifth edition, Tokyo, Kenkyūsha 2003.

18 Yuasa, *Kindai Nihon no Tetsugaku to Jitsuzon Shisō*, p. 7.

19 It is thought that the concept of a nation and nation-state first appeared in Japanese ideology during the Edo period (1603-1867), however, this indigenous growth of nationalism was cut short due to the rise of Ieyasu Tokugawa and his policy of isolation. Rapid political and social modernisation occurred mostly under Western pressure during the Meiji Restoration of 1866 to 1869. While China had been the predominant external influence for Japan over many centuries, external influence shifted from China to Europe in the late 17th century and, more rapidly so, in the 19th century, and finally to the United States in the 20th century. Yuasa, *Kindai Nihon no Tetsugaku to Jitsuzon Shisō*, p. 5.

Japan are assessed, followed by Masao Maruyama's (1914—96) views on subsequent political consciousness immediately following the Second World War.

While there are many other Japanese political philosophers, this section does not aim to provide a detailed history of Japanese political thought. Therefore, it concentrates on these four thinkers in order to present significant examples of discussion on the modern Japanese state.

Yukichi Fukuzawa

Fukuzawa was a political theorist and educator of the late 19th century whose thoughts show the influence of Western ideas on Japanese conceptions of the individual, autonomy, and statehood. Fukuzawa considered Japan as being in a "semi-developed stage", whose advancement was slowed by the hierarchical nature of the traditional feudal society and Confucian thought.[20] He argued that "civilisation" or *bunmei* (文明 as opposed to "barbarism")[21] was the only choice for Japan, and it needed therefore to "catch up" by learning from Western modernisation. Drawing on several earlier 19th century philosophers such as Shōzan Sakuma and Shōnan Yokoi (who also advocated *wakon yōsai*), Fukuzawa believed that Western ideas were not contradictory to Japanese ideas, and that the two could develop in a complementary and integrated way. He argued that integration could be achieved through the preservation of Japanese national culture, polity and sovereignty in the modern era by emulating the spirit of Western civilisation.

His main concern in his studies comparing eastern Confucian culture to Western culture was that, in terms of abstract ideas, the East "lacked a spirit of independence".[22] This was a crucial deficiency, because he saw the independence of the self as being connected to the independence of the state. Fukuzawa argued:

> Independence means to rule oneself and to not have a spirit of dependence on others. Those who can differentiate between right and wrong, and manage without

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20 Yukichi Fukuzawa, *Bunmeiron no Gairyaku (An Outline of a Theory of Civilisation)*, Tokyo, Iwanami Shoten, 1931, pp. 28–32, 161–63; Annette Schad-Seifert, "Constructing National Identities: Asia, Japan and Europe in Fukuzawa Yukichi's Theory of Civilisation" in Dick Stegewerns, *Nationalism and Internationalism in Imperial Japan: Autonomy, Asian Brotherhood, or World Citizenship?*, London, RoutledgeCurzon, 2003, pp. 45–67, p. 50.

21 Fukuzawa's idea of civilisation contrasted to its pre-Meiji use. Notions of pre-Meiji civilisation were based on the Chinese notion of the concept, which was much more geographical in nature. The closer to the centre (China) the more civilised, and the peripheries of the regions influenced by China were considered as being "barbaric". See Schad-Seifert, "Constructing National Identities", p. 49.

22 Yukichi Fukuzawa, *Fukuō Jiden (The Autobiography of Yukichi Fukuzawa)*, Tokyo, Iwanami Shoten, 1944, p. 206.

> misjudgement on this basis do not have to depend on the knowledge of others and is independent....If we have any patriotism at all, we must firstly consider our independence, whether it is public or private, and if we have any strength left, we must help other people become independent. Fathers must teach their children independence, teachers should encourage their students, samurais, farmers, artisans and tradesmen should all embrace independence and protect our country.[23]

He wrote in *Bunmeiron no Gairyaku (An Outline of a Theory of Civilisation)* that Japan's inferiority to the West had also given rise to feelings of being oppressed by it, and that these feelings had in turn generated an anxiety over national independence.[24] He called upon the Japanese to cultivate independence through increased engagement with the West and emulation of Western values, while at the same time elevating Japan to the level of modern civilisation on *its own terms*. He argued that, unless the Japanese people had this spirit of independence, modern civilisation would be of no use to them. While he did not specify clearly as to which aspects of Japanese traditions he viewed as being worthy of maintaining, the main change Fukuzawa advocated was the ending of the feudal hierarchy that permeated Japanese society. He saw civilisation based on a more equal civil society as a means for Japan not to become "slave or puppets" of the West and to be overcome by colonialism as had occurred in other non-Western countries.[25] To achieve equality and independence, Fukuzawa believed the education of individuals to be an important means of modernising both the broader Japanese populace and Japan itself as a state.

Therefore, while Fukuzawa is aware of Japan needing to become independent in and of itself, at the core of Fukuzawa's enlightenment ideology is a comprehensive emulation of Western ideas, values and technology in order to "beat the West in their own game". In other words, the rationalism and spirit of independence that Fukuzawa espouses is rooted in Western notions of modernity, and not necessarily based on Japanese ideas. Consequently, the autonomy of the state that he advocates is closer to rationalist definitions of autonomy, and the *kussetsu* or distortion of Western ideas in his philosophy is minimal.

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[23] Yukichi Fukuzawa, *Gakumon no Susume (An Encouragement of Learning)*, Tokyo, Iwanami Shoten, 1996, p. 29, p. 34.

[24] Yukichi Fukuzawa, *Bunmeiron no Gairyaku (An Outline of a Theory of Civilisation)*, Tokyo, Iwanami Shoten, 1931, pp. 203–35.

[25] Fukuzawa, *Bunmeiron no Gairyaku*, pp. 224 – 25.

Kitarō Nishida

Like Fukuzawa, Kitarō Nishida also sought synthesis between Japanese and Western culture but on a more abstract level. Nishida practised Zen Buddhist meditation, which greatly influenced his perspectives on the differences between Eastern and Western notions of the self and self-consciousness, which he then related to ideals about the Japanese state in the face of Western modernity. Like Fukuzawa, at the core of these discussions lay his belief that, unless Japan adopted a strong position on how it was going to deal with Western modernity, it would be unable to ascertain its own position and existence. Nishida argued:

> [The] dazzling advances in Western culture—which interprets things with form as being real and positive—should be respected, and there is by all means a lot to learn from it, but at the core of Eastern culture that our ancestors have cultivated over several thousands of years is to see things without form, and listen to things without a voice.[26]

In other words, under Western cultural influence, a norm of "objectivity" in perceiving and understanding the surrounding world was gradually being established in Japan. This influence gave way to the perception that there was one form of "modernity" and that, as long as Japan existed as a modern state, this was a positive development. This uncritical assumption of modernity's positive effects dismissed the need for introspection and self-examination, which was crucial for implementing an effective and long-term modernity that would work in the Japanese context.

In response to this dilemma, Nishida sought to establish a philosophical expression of a Japanese consciousness of citizenship based on independence through unity of the self, which was significantly influenced by his practice of Zen.[27] He argued that there was a large gap between Eastern and Western spiritual attitudes and perceptions of the self. More specifically, Nishida argued that, in Western philosophies, for things to exist positively, it must be affirmed in external surroundings, and modern conceptions of the self must thus expand actively and outwardly. However, in comparison, Nishida's philosophy deals with the expansion of the self more passively. The self does not advance outwards, but "consciousness sinks to the bottom of

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[26] Kitarō Nishida, *Nishda Kitarō Zenshū (The Complete Works of Kitarō Nishida)*, vol. 4, Tokyo, Iwanami Shoten, 1988, p. 6.

[27] Yoshitomo Takeuchi, *Nishida Kitarō to Gendai (Kitarō Nishida and Modernity)*, Tokyo, Daisan Bummeisha, 1978, p. 231.

consciousness itself" and "transcends into the depths of where the self is", creating a deeper dimension of existence and the self.[28]

In other words, by "passivity", Nishida means deep self-assessment and introspection. This particular kind of passive expansion of the self through retreating into self-consciousness formed the foundations of Nishida's philosophy, and also his ideal in establishing a modern Japanese self-consciousness and statehood. In establishing a modern Japan, Nishida considered that Japan not only needed to question itself in its many dimensions as possible, but by doing so, it was also questioning the larger world in which it was situated.

Nishida's philosophy is therefore more critical of blindly following Western modernisation and encourages a modernisation that is more focused on Japanese ideas. However, much like the non-rationalist theories discussed in the previous chapter, his perspectives on the Japanese notion of the modern self are useful when dissecting the "objectivity" of the West, much in the same way that non-rationalist theories critique rationalist assumptions. However, Nishida's philosophy does little to provide practical solutions on how Japan should respond to the rapidly modernising world and the territorial expansion occurring globally at the time. As a consequence, he gives no substantive outcomes of deep introspection and self-reassessment, and offers only limited insight into specifically Japanese forms of autonomy.

Yoshimi Takeuchi

Yoshimi Takeuchi, an early 20th century thinker, was more critical of Japanese culture in the face of modernity, challenged the post-Second World War Japanese intellectual community to critically rethink its relationship to the West, and provoked debate over Japan's social and cultural identity. He agreed with Nishida that the differences between European modernity and Japan should not be automatically interpreted as "advancement" versus "depravity". However, Takeuchi argued that Japan had interpreted these differences as such and, as a consequence, it had little desire to preserve the self, or to critically assess and resist modernity as imposed by the West. The lack of resistance meant that Japan was not a part of the East; but, at the same time,

[28] Nishida, *Nishida Kitarō Zenshū*, vol. 4, p. 245.

Takeuchi argued that its lack of desire to maintain its identity also meant that Japan was not a part of Europe. Therefore, he famously declared that "Japan is nothing".[29]

While he agreed with Nishida that Japanese culture had certain elements of passivity, Takeuchi did not necessarily interpret this as being a positive aspect worthy of preservation or on which to build a modern identity. He was significantly more pessimistic about the ability to find synthesis between Japanese traditions and culture and Western modernity in general,[30] and his discussions were more a reflection upon modern Japan with a cautious warning of where it was going, particularly in the wake of the Second World War. He likened the path that Japan had taken in adapting to modernity to that of a slave:

> For a slave to become a slave master, does not mean the liberation of the slave. However, subjectively speaking from the slave's point of view, it is liberation. When this example is applied to Japanese culture, its characteristics become clear. Japan held a deep consciousness of inferiority towards Europe in regards to modernity. This is why it began its furious game of catching up. It had made up its mind that becoming European, and being good at being European, was going to be its path to freedom. In other words, it sought to be a slave master in order to liberate itself from slavery...this is why no matter how hard Japan tries, there is no forthcoming autonomy, independence or identity.[31]

Again, he linked this lack of autonomy, independence and identity (*shutaisei* 主体性) to Japan's abandonment of meaningful resistance to modernisation, and it having blindly swallowed, and become a slave to, all aspects of European values. He also blamed this passivity on the tradition of culture always coming from external influences and not having received external ideas through struggle and resistance. Takeuchi argued:

> Japanese culture is always looking outside for new things. Culture always came from the West. Confucianism and Buddhism were the same. So Japan waits...I believe that because Japanese culture does not have any experience of independence in its traditions, it cannot feel independence with a sense of reality. It has not once received external influence through struggle and resistance. Those who do not know the taste of freedom are happy enough with a hint of freedom.[32]

Consequently, Takeuchi's discussion of Japan and modernity argues that resistance of Western modernisation does not necessarily have to involve aggressive

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29 Yoshimi Takeuchi, "Kindai towa Nani ka (Nihon to Chūgoku no baai)" ("What is Modernity? [The Case of Japan and China]"), *Takeuchi Yoshimi Zenshū (The Complete Works of Yoshimi Takeuchi)*, vol. 4, Tokyo, Chikuma Shobō, 1980, p. 128–71, p. 145. This article was originally written in April, 1948.

30 Takeuchi, "Kindai towa Nani ka", p. 135.

31 Takeuchi, "Kindai towa Nani ka", p. 157.

32 Takeuchi, "Kindai towa Nani ka", p. 168. In this case, "the West" is pointing to the geographical direction, not necessarily Western culture.

military conflict, but necessitates critical analysis. While his philosophy contains less passivity in comparison with Nishida, Takeuchi similarly argues for the need for self-reflection and a fundamental questioning of progress and historical change. Because Takeuchi's ideas are essentially a critical philosophy, his philosophy too, is useful for questioning the foundations on which positive modernity is based, but provides restricted insight on autonomy based on Japanese culture and tradition.

Masao Maruyama

In the first half of the 20th century Masao Maruyama made several significant observations on perspectives of autonomy through his analysis on how European rationalism and individualism transferred and evolved in Japan. Maruyama also examined the passive nature in which modern Japan developed; yet, unlike Nishida who explained it in terms of Buddhist passivity, Maruyama emphasised the external foundations of modernisation as being a determining factor. He argued that modernisation in Europe could be characterised as the formation of internal diversification that nonetheless had the common notion of *corpus christianum* within the European community.[33] In other words, Maruyama maintained that "the Renaissance and the Reformation were multi-directional splits within something that was originally a unified part of the world".[34] On the other hand, in what Maruyama called the Oriental world, Indian, Chinese, Japanese and various other cultures existed relatively independent of each other, even though there was some commonality of religion in Buddhism.[35] As a consequence, these Asian nations did not gain modern self-awareness as a state through a spontaneous process within international society, but were instead often forced into it by military power or the threat of its use by foreign states.[36] Thus, Maruyama explains, "the nominal national sentiments held by Oriental states were usually primarily a reaction to outside pressures,"[37] which added to the passive and reactive beginnings of Japanese modernity.

To both overcome and counter the European challenge impeding modernisation, Maruyama, like the aforementioned scholars, discussed the issue of integrating

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33 Masao Maruyama, "Nihon ni okeru Nashonarizumu: Sono Shisōteki Haikei to Tenbō" ("Nationalism in Japan: Ideological background and Prospects"), *Gendai Seiji no Shisō to Kōdō (The Philosophy and Movement of Modern Politics)*, Tokyo, Mirai Sha, 1964, pp. 152–70, p. 155. This article was written in 1951.

34 Maruyama, "Nihon ni okeru Nashonarizumu" p. 155.

35 Maruyama, "Nihon ni okeru Nashonarizumu" p. 155.

36 Maruyama, "Nihon ni okeru Nashonarizumu", pp. 155–56.

37 Maruyama, "Nihon ni okeru Nashonarizumu", p. 156.

European and Japanese ideas. He gave a cynical and critical analysis of this amalgamation by arguing that old elite classes only sought to integrate European ideas of modernity as far as this would maintain their power. He posited that this was because any complete integration of modern ideas would mean introducing concepts such as liberal democracy and individual rights, which would in turn signify the demise of the old regime and the position of the ruling elites. As a result, this fear gave rise to the "neat" separation of European technology from the Japanese spirit or tradition, as manifest in slogans such as the aforementioned *wakon yōsai*, and also *fukoku kyōhei* (富国強兵)—rich nation, strong army.[38] This kept the infiltration of modern political ideology into Japanese society to a minimum, while allowing the state to grow and modernise in terms of its industrial, technological and military capabilities.[39] As a consequence, Japan succeeded in revolution from above in the Meiji Restoration and became the first modern Asian nation state with a centralised government. It not only pushed back the infiltration of European forces, but grew to become an imperial power that was regarded as ranking alongside European great powers.[40]

However, Maruyama maintained that this neat "division of labour" between European technology and Japanese traditional values in fact did not contribute to the cultivation of modernity and independence within Japan. Because Japan did not tie modern nationalism to the liberation of its citizens through democracy and individual choice, but rather to national unity and features of latter-stage nationalism such as imperialism, Maruyama argued that this "created a population of loyal but subservient followers that left all decisions to the authorities instead of creating the modern citizen who took political responsibilities onto themselves."[41] The "successful" application of Western modernity through the separation of European technology from Japanese traditions not only caused a significant slowing down in the modernisation of the general population, but it left a structural imbalance in Japanese nationalism and society.[42] Maruyama saw the characteristics of imbalanced Japanese nationalism and the relationship of the individual and the state as follows:

> The psychological structures of Japanese nationalism involved burying the individual within a state that expressed itself as an extension of a primary group (such as family or tribe)...whereas modern nationalism...expresses a high level of

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38 Fukuzawa, *Fukuō Jiden*, p. 233.

39 Maruyama, "Nihon ni okeru Nashonarizumu", p. 157.

40 Maruyama, "Nihon ni okeru Nashonarizumu", p. 158.

41 Maruyama, "Nihon ni okeru Nashonarizumu", p. 163.

42 Maruyama, "Nihon ni okeru Nashonarizumu", p. 160.

> individual will [*jihatsusei* 自発性] and independence [*shutaisei* 主体性]. The connection between nationalism and the sovereignty of the individual was indeed the most important outcome historically (which shows why the nationalism seen in the liberal democratic movement in the early Meiji period was incomplete).[43]

Maruyama argued that the leaders of the Meiji government could not depend on the development of an independent and active national consciousness because of the urgency of the Restoration. The threat of foreign pressure necessitated a rapid generation of patriotism, and Meiji leaders achieved this from above through state education, which in turn crushed burgeoning liberal democratic movements in Japan.[44] In other words, Japan's "modernisation" was quite different in character to the European Renaissance or Reformation, and did not have a strong emphasis on the autonomy of the individual, but instead involved a grossly unbalanced perception of state independence in the face of European powers.

Maruyama's account of Japanese autonomy set in the context of the international environment of the Meiji period describes well the *kussetsu* that occurs when Western notions of the modern state intersect with the Japanese situation. It results in a state autonomy that is highly reactive to external circumstances. The notion of independence and autonomy residing at the core of Western modernisation changes when it interacts with Japanese political culture that essentially accepts modernisation as Westernisation. This acceptance means that the motivations and independence of modern statehood are not generated through self-will, which is prevalent in the original Western traditions, but rather by putting itself within the boundaries of foreign values. As Takeuchi pointed out, this blind acceptance is, in part, influenced by Japan's long history of receiving new culture and ideas from external sources. However, Maruyama highlights that, unlike Europe, modernisation in the Asian region often resulted from external force, or the threat of force from external powers, and thus is politically motivated, rather than a "natural" adoption and development of superior values. As a consequence of this acceptance, Takeuchi argues that passivity towards introspection is manipulated by national elites and makes the state a slave to external values. Japan's adoption of modern Western values, which were intended to be emancipating, instead resulted in its autocratic government that existed during the Second World War. Takeuchi argues that this simply turned Japan from a slave to a slave master—still working within the framework of slavery, and not truly liberated.

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43 Maruyama, "Nihon ni okeru Nashonarizumu", pp. 161–62.

44 Maruyama, "Nihon ni okeru Nashonarizumu", p. 162.

These political philosophers thus demonstrate that concepts such as the state and independence do indeed undergo some change when applied outside its social context. While this may be expected, this finding has two important consequences. Firstly, it reveals that appealing the "independence" of a state through emulation of an external model without critical evaluation on how to best apply it to domestic characteristics and circumstances leads to a diminishing of the independence itself. The very dependence on outside ideas narrows the foundations of independence. Secondly, given the *kussetsu* of Western concepts when applied to a non-Western situation, and the fact that Japanese experience of modernisation and state autonomy is fundamentally different in nature to the European, it is also problematic to consider these concepts as the same across all states as assumed in rationalist International Relations Theory.

Japanese Government Perceptions of Autonomy

The contradictions and tensions between the Western and Japanese experience of modern statehood discussed in the context of Japanese political philosophy are also reflected in contemporary Diplomatic Bluebooks, Diet speeches and political speeches of Japanese Prime Ministers and it is particularly evident in issues pertaining to Japan's international role. This second section examines how the Japanese government discusses state autonomy in its foreign policy by focusing on Japan's role in international relations. In addition to the contradiction of Japan's modern statehood depending on an external model that espouses political and social independence, contemporary Japanese autonomy also faces the contradiction of implicitly trying to define an "active" role within its pacifist constitution, while continuing to be dependent upon the US-Japan alliance for its national security.

There are two reasons for focusing on Japan's international role in this section. Firstly, a certain degree of autonomy is implicit in advocating a major international role, and the capabilities that are perceived to be required to carry it out helps to characterise further Japanese autonomy. In particular, the issue of a greater international role for Japan is a dominant focus in the discussion in post-1945 Japanese foreign policy, especially after its economic growth in the 1970s and even more so in the post-Cold War period. It is therefore necessary to consider the pressures or motivations that lie behind this direction during this period and also to analyse Japan's own expectations involved in assuming such a role. MOFA's perception of Japan's role in international society is an indicator of what motivates Japan's foreign policy behaviour and can

subsequently reveal what autonomy means for the Japanese government and how it is pursued.

Secondly, as highlighted in the previous section on Japanese political philosophy, the issue of Japan's international role is also relevant when considering Japan's need of an internally generated direction. The analyses of Japanese political philosophy and the issues facing Japan in current international relations suggest that these same observations can be applied to present-day Japan. As long as Japan does not generate a stronger sense of internal direction, it continues to be seen as subscribing to external pressures and the values of the US hegemonic system. It is accused of parroting the interests of the United States, being unable to define its role internationally and lacking in autonomy. Analysing the Bluebooks, Diet speeches and prime ministerial speeches offers insights into how the Japanese government has been grappling with this issue in the period following the Second World War.

A broad survey of the Japanese government documents from the early 1970s until 2004 reveals that since the 1970s, Japan has become increasingly conscious that its economic growth has been assisted through the security and stability provided by other members of the international society and, because of this, it was necessary for Japan to demonstrate its contributions to the international community rather than solely focusing on its own benefits. Again, in tracing Japan's consciousness of its position and role in international society, a conflict between active and passive forms of the self becomes evident, as discussed above in the political philosophies of Japan. This perception of the self, which is strongly influenced by external ideas and pressures, in turn informs Japanese autonomy.

The 1970s: the Re-Establishment of Trust and International Status

The Bluebooks issued during the 1970s demonstrate that while Japan's realisation of its international role was beginning to emerge, its endeavours remained minimal. The style in which Japan discusses its leadership in the 1973 Bluebook is still passive, suggesting a weak sense of policy direction at the time. The central focus of Japan's national interest at this stage was still the re-establishment of trust, respectability and particularly status within international society, rather than international leadership. In 1973, MOFA reports:

> ...the expansion of the scale of its business activities and the sharp increase of its presence abroad, due to the rapid growth of its economy in recent years, swiftly

> and on a broad multilateral level expanded its relations of mutual dependence with other countries and various areas of the world. As a result, Japan's international influence and stature has increased and its activities both at home and abroad have come to exercise a considerable effect on the politics, economies and public welfare of various countries of the world.[45]

The importance of gaining international status is again revealed in its report on Japan's relations among advanced Western countries and its implementation of multilateral diplomacy in that year.[46] However, while it recognised the elevation of its international status and increased economic power, MOFA indicated that "it is no longer possible for it to pursue prosperity for itself alone"[47] and stated that "Japan realises its own position and responsibilities in the world, especially in the international economic community, and endeavours to eliminate unstable factors in the international community".[48]

Despite this, it is important to note that Japan drew attention to its autonomy in specific issue areas, and made mention that its reaction to the 1973 oil crisis was "not necessarily in line with that of the United States".[49] Furthermore, it clearly stated that it can and does take alternative policies to the United States, but only in close consultation with the United States:

> There is an understanding between Japan and the United States that, in order to achieve their common goal of stabilizing international order, they sometimes might choose different paths...they might possibly take different approaches because their positions differed. It is important for Japan to further strengthen "Japan-US relations in a global perspective" with the broadened and deepened dialogue between the two countries as the background.[50]

By the late 1970s, the language that MOFA used to describe Japan's role in international relations was more active, consequently indicating a heightened awareness of its international responsibilities. However, at the same time, it did not show any significant shift in its policies in the Cold War context. It stated that Japan needed to "redouble its active and constructive role in world peace and prosperity, not only in the economic, but also in the political and diplomatic fields"[51] and that "such a positive

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45 The Ministry of Foreign Affairs of Japan, *Diplomatic Bluebook for 1973*, Tokyo, Public Information Bureau, 1973, p. 2.

46 MOFA, *Diplomatic Bluebook for 1973*, p. 7, p. 14.

47 MOFA, *Diplomatic Bluebook for 1973*, p. 16.

48 MOFA, *Diplomatic Bluebook for 1973*, p. 16.

49 MOFA, *Diplomatic Bluebook for 1973*, p. 8.

50 MOFA, *Diplomatic Bluebook for 1973*, p. 59.

51 The Ministry of Foreign Affairs of Japan, *Diplomatic Bluebook for 1980*, Tokyo, Public Information Bureau, 1980, p. 27.

foreign policy [would], of course, be based on friendly and co-operative Japan-US relations".[52]

Whilst actual mention of the word "autonomy" (*jishu*) remained limited in the Diplomatic Blue books, how Japan was to become "autonomous" was debated at lengths in the Diet and by government officials, and was also evident in other government documentation during the 1970s. In October 1970, the Defence White Paper talked about domestic and international aspects of autonomy;[53] firstly the importance of national security in safeguarding the autonomous lives of citizens, and secondly, the many autonomies that Japan needed to consider in increasingly "multipolar" international relations, and also "an autonomous defence system" for its security relationship with the United States to function effectively.[54]

The then Vice Minister of the Japanese Defence Agency, Takuya Kubo also wrote in June 1972 in his reflections and reconsiderations of the US-Japan security Treaty the potential of autonomy within its security relationship with the United States. Kubo stated that members of NATO have autonomy of policy whilst having a strong alliance, and that Japan's treaty relationship with the United States is no excuse for lack of independent action, as the renewed security treaty had amended the one-sided US protection of Japan.[55] Thus, he argued autonomy within the US alliance would depend largely on the international position Japan decides to take: either a pro-US stance, or a neutral independent stance.[56]

Prime Minister Takeo Miki also highlighted the increased consciousness within the Japanese government of autonomous foreign policy in a speech in the National Diet in 1976.

> There is something I would like to appeal to our citizens. That is, the issue of autonomy and cooperation, the issue of national interest, and the issue of rights and responsibilities. Currently, we are being asked for greater autonomous foreign policy. However, this does not necessarily mean that opposition is autonomy, and

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52 MOFA, *Diplomatic Bluebook for 1980*, p. 28.

53 *Nihon no Bōei: Bōei Hakusho* (*Defense of Japan: The Defense White Paper*), Tokyo, Japan Defense Agency, 1970, pp. 1–3, 16–41.

54 *Bōei Hakusho* (*Defense of Japan: The Defense White Paper*), 1970, pp. 1–3, 16–41. In this passage, the document talks about "collective security", which Japan is technically not constitutionally able to participate in. However, it seems that "collective security" is in reference to its alliance with the United States, rather than a NATO-type security arrangement in the region.

55 Takuya Kubo, *Ikō Tsuitō Shū* (*Unpublished Writings and Memoirs*), Tokyo, Ikō Tsuitō Shū Publication Group, 1981, pp. 40–58.

56 Kubo, *Ikō Tsuitō Shū*, pp. 53.

> that cooperation signifies being a follower. To make an autonomous decision to cooperate is also autonomous foreign policy.[57]

Thus, while the Diplomatic Blue books of the 1970s suggested that Japan was only beginning to question its role in international relations—evident in the language that did not venture far past its pacifist constitution and its dependence on the US-Japan alliance for its national security—other government sources indicated that discussion and debate on the topic were active. The motivations and perceived necessary capabilities required to carry out such a role were still unclear, and there was no obvious internal Japanese policy or direction that suggested what type of future role was envisaged. At the same time, it was clear that at this stage, Japan was quietly confident of its importance to the United States in taking a dramatically different stance in the oil crisis; which will be discussed at greater lengths in the following chapter on Japan's relations with Iran.

The 1980s: A Role "Commensurate with the Peace Constitution"

Japan's consciousness of its international role evolved in the 1980s with an additional phrase which stated that its role needed to be *commensurate with the capacity of its peace constitution.* This suggests that Japan was searching for ways to fulfil its international role without significant domestic controversy or change. In 1981, MOFA stated that Japan had "now reached the stage at which it should participate, *autonomously* and in a positive way, in the maintenance and organization of international relations."[58] MOFA's consciousness that Japan needed to act on its own initiative and show leadership was quite clear and, whilst it appealed to the common values it shared with the United States and the European Community, and the "unshakeable trust" of the US-Japan relationship,[59] it again called attention to the fact that Japan was nonetheless capable of autonomous policies. It specifically stated: "[T]hat Japan should have a common basic perception and strategy with the advanced democracies, including the United States, does not necessarily mean that this country's

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57 Takeo Miki, "Dai 77kai Kokkai Jyōkai Shisei Hōshin Enzetsu" ("Administrative Policies speech in the 77th Normal session of the National Diet of Japan", 23 January 1976, *Sekai to Nihon Dētābēsu (The World and Japan Database)*, University of Tokyo Institute of Oriental Culture Website, http://www.ioc.u-tokyo.ac.jp/~worldjpn/, accessed 6 September 2007.

58 MOFA, *Diplomatic Bluebook for 1981*, Tokyo, Public Information Bureau, 1982, p. 23. Emphasis added.

59 MOFA, *Diplomatic Bluebook for 1981*, p. 25.

specific policies should be the same as those of other countries."[60] Furthermore, this perception of autonomous policy and Japan's international role followed:

> The important thing for Japan is to play its due role commensurate with its own capability and circumstances...The role of Japan, which has its peace Constitution, is greatly limited in the military field, and it is natural that this role should be focused on the political and economic fields.[61]

"An autonomous role commensurate with the peace constitution" became the catch-phrase of the 1980s, and was repeated throughout the Diplomatic Bluebooks during this period.[62] Again, however, there was no significant outwardly change in Japanese foreign policy to attempt to achieve greater international responsibility. This indicated some residual scepticism remaining within MOFA towards an increased international role, and signified that Japan was trying to tread carefully around potential domestic opposition.

However, as the Cold War came to an end, the issues through which Japan appealed its "proactive leadership" changed. It began to focus on development, energy and humanitarian issues and, with this, came a shift in the language used in Japan's policies. In as early as 1989, MOFA referred to issues of development as "a global problem that Japan should tackle autonomously."[63] In particular, a significant change in the focus of Japan's leadership was evident in the 1990s when MOFA called attention to Japan's contribution to global politics as a dynamic humanitarian power. However, while Japan was one of the largest donors of foreign aid during the 70s and 80s, it was often criticised during this period for having economically nationalistic policies behind its Official Development Assistance (ODA).[64] For this reason, greater clarity in the purpose and direction of Japan's global goals became increasingly necessary for it to effectively and legitimately define its international role.

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60 MOFA, *Diplomatic Bluebook for 1981*, p. 26.

61 MOFA, *Diplomatic Bluebook for 1981*, p. 26.

62 See MOFA, *Diplomatic Bluebook for 1982*, p. 8, Ministry of Foreign Affairs, *Diplomatic Bluebook for 1987*, Japanese edition, Tokyo, Ministry of Finance Press, 1987, p. 3, p. 5.

63 The Ministry of Foreign Affairs of Japan, *Diplomatic Bluebook for 1989*, Tokyo, Ministry of Finance Press, 1989, p. 11.

64 Ryōkichi Hirono, "Human Security and Conflict Prevention" in *Japan Review of International Affairs*, vol. 14, no. 4, Winter, 2000, pp. 261–84, p. 278. Japan's ODA during this period concentrated heavily on economic infrastructure development, often tied to Japanese profit. However, Japan has cut the percentage of ODA dedicated to economic development and placed emphasis on the development of social infrastructure in recipient countries such as education, health, population issues, and water sanitation. In 1986, the percentage of ODA to economic infrastructure stood at 45 percent and social infrastructure at 16 percent, whereas by 1999 this had changed to 31.9 percent and 19.3 percent respectively.

The Ministry of Foreign Affairs made Japan's newly found national confidence clear, which is evident in the language used in the Bluebooks of the time. However, in other government records, even nationalist Nakasone, who favoured a strong military and sought to challenge the anti-militarist norm, was still cautious to contextualise this confidence within the US alliance and the constitution. He demonstrates this in his general policy speech in 1982, and also in his administrative policy speech in the Diet in early 1983. In his general policy speech, he affirms his desire "to conduct autonomous foreign policy" within the cooperation with Western bloc and other liberal countries,[65] and goes on to state:

> Our national defence is carried out based on autonomous judgement on the needs and the limits of self-defence. In that case, it is of course necessary to uphold policies such as the three non-nuclear principles, maintain a position of self-defence and also not threaten neighbouring countries as we have done up until now.[66]

The 1980s therefore represented a time when Japan was genuinely searching to find creative ways in which to define an autonomous and distinctively Japanese role in international relations. It attempted to do this by focusing on humanitarian leadership through aid policies, which enabled firstly the utilisation of its strong economic power, and secondly an "active" role within its pacifist constitution, both without significantly upsetting the dynamics of the US-Japan relationship. However, its hesitancy to take up a new international role matching its economic confidence is evident in the other government documents which still clearly put all of its evolving foreign and security policies firmly within a narrow interpretation of the Japanese Constitution. This tentative form of international participation that remain within its peace constitution and also within a framework of dependence on the United States, did not bring Japan international credibility or respect and eventually led to the international perception that Japan attempted to define its international participation only through financial contributions

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65 Yasuhiro Nakasone, "Dai 97kai Kokkai Rinji Shoshin Hyōmei Enzetsu" ("General Policy Speech in the 97th extraordinary session of the National Diet of Japan", 3 December 1982, *Sekai to Nihon Dētābēsu* (*The World and Japan Database*), University of Tokyo Institute of Oriental Culture Website, http://www.ioc.u-tokyo.ac.jp/~worldjpn/, accessed 6 September 2007.

66 Yasuhiro Nakasone, "Dai 98kai Kokkai Jyōkai Shisei Hōshin Enzetsu" ("Administrative Policies speech in the 98th Normal session of the National Diet of Japan", 24 January 1983, *Sekai to Nihon Dētābēsu* (*The World and Japan Database*), University of Tokyo Institute of Oriental Culture Website, http://www.ioc.u-tokyo.ac.jp/~worldjpn/, accessed 6 September 2007.

The 1991 Gulf War

Greater clarity in defining Japan's foreign policy direction in more practical terms became necessary after the 1991 Gulf War when Japan's 13 billion dollar contribution was widely criticised and accusations of "cheque book diplomacy" and "single-state pacifism" became paramount.[67] As a result, while Japan still depended heavily on "firmly maintaining the Japan-U.S. Security Arrangements" and "securing its own appropriate defense capacity"[68], it began to define its international role and contributions through greater emphasis on peacekeeping, development and humanitarian fields. In other words, by utilising its expertise in arms control, and non-proliferation, conflict prevention, and development, Japan could fulfil international responsibilities without amending its Constitution or altering the US-Japan alliance.[69]

While Japan's policies in the 1990s appeared to be a continuation from the 1980s, the most dramatic difference was Japan's contribution to United Nations Peacekeeping Operations (PKO)—a direct result of the criticisms during the Gulf War. In late April 1991, the Japanese government made the decision to send minesweepers to the Gulf, which was followed by the passing of the International Peace Co-operation Bill (or the PKO Bill) in August and September of the same year.[70] This bill allowed Japanese personnel to participate in all non-military United Nations PKOs on three conditions: a ceasefire in the conflict area; Japan's participation receiving the agreement of all parties in the conflict; and the neutrality of UN forces.[71] The activities included election monitoring and refugee transportation, and the SDF's participation in the monitoring of ceasefires.[72] By appealing to UN-based international contributions, Japan was able to expand the PKO Bill beyond the Gulf War to participate in the United Nations Transitional Authority in operations within Cambodia from September 1992 to 1993. Since establishing the PKO Bill, the Japanese government has participated in eight

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67 Akiko Fukushima, *Japanese Foreign Policy: The Emerging Logic of Multilateralism*, London, Macmillan, 1999, pp. 65–68; p. Kuriyama, "Challenges for Japan's Foreign Policy Future", p. 215; The Ministry of Foreign Affairs of Japan, *Diplomatic Bluebook for 1992*, Tokyo, Public Information Bureau, 1992, p. 52; Kuriyama, "Challenges for Japan's Foreign Policy Future", p. 215.

68 The Ministry of Foreign Affairs of Japan, *Diplomatic Bluebook for 1994*, Section 2, "Toward the Construction of a New International Framework", accessed 12 October 2005, http://www.mofa.go.jp/policy/other/bluebook/1994/c1.html#1_2_1.

69 Yukio Takasu, "Challenges for the United Nations: A Japanese View", *Japan Review of International Affairs*, vol. 15, no 1, Spring 2001, pp. 16–36, p. 31.

70 Fukushima, *Japanese Foreign Policy*, p. 68–69; Hugo Dobson, *Japan and United Nations Peacekeeping: New Pressures, New Responses*, London, RoutledgeCurzon, 2003, pp. 71–72.

71 Dobson, *Japan and United Nations Peacekeeping*, p. 72.

72 Dobson, *Japan and United Nations Peacekeeping*, p. 72.

PKOs and, of these operations, the SDF has participated in Cambodia, Mozambique, Golan Heights and East Timor.[73]

Mission	Personnel	Length of Mission	Total Number of Personnel
United Nations Angola Verification Mission II (UNAVEM II)	Election Observation	September—October 1992	3
United Nations Transitional Authority in Cambodia (UNTAC)	Ceasefire Observation	Sept 1992—Sept 1993	8 x 2
	Civilian Police	Oct 1992—July 1993	75
	Installations Unit	Sept 1992—Sept 1993	600 x 2
	Election Observation	May—June 1993	41
Opération des Nations Unies au Mozambique (ONUMOZ)	Headquarters	May 1993—Jan 1995	5 x 2
	Transportation Co-ordination	May 1993—Jan 1995	48 x 3
	Election	Oct—Nov 1994	15
Observadores de las Naciones Unidas en El Salvador (ONUSAL)	Election Observation	March—April 1994	15 x 2
United Nations Disengagement Observer Force (UNDOF)	Headquarters	February 1996—Present	2 x 10
	Transportation Unit	February 1996—Present	43 x 19
United Nations Assistance Mission in East Timor (UNAMET)	Civilian Police	July—September 1999	3
Sub-Total			**2374**

Table 3.1 Japan's participation in Peacekeeping Operations in the 1990s. Modified from "Kokusai Heiwa Kyōryoku Hō ni yoru Waga Kuni no Kyōryoku" (Our country's Co-operation based on the International Peace Co-operation Law"), The Ministry of Foreign Affairs of Japan Website, http://www.mofa.go.jp/mofaj/gaiko/pko/kyoryokuhou.html, accessed 30 July 2006.

There were also other areas such as climate change, arms reduction and human security where Japan was able to exercise leadership and make autonomous initiatives, particularly because these issues were not subject to strong US influence or interest. Japan began to participate in climate change issues in 1992, when it took part in the Rio de Janeiro Earth Summit. This summit led to the United Nations Framework Convention on Climate Change (UNFCCC) in 1994, and the third session of the UNFCCC in December 1997 led to the signing of the Kyoto Protocol on Climate

[73] "Kokusai Heiwa Kyōryoku Hō ni yoru Waga Kuni no Kyōryoku" (Our country's Co-operation based on the International Peace Co-operation Law"), *The Ministry of Foreign Affairs of Japan Website*, http://www.mofa.go.jp/mofaj/gaiko/pko/kyoryokuhou.html, accessed 30 July 2006. The UN Assistance Mission to East Timor was established in 1999, whereas the UN Transitional Administration in East Timor (UNTAET) was established in May 2002.

Change.[74] The Kyoto Protocol was largely a Japanese initiative and was seen as being a noteworthy international environmental policy, but its international significance has since been reduced due to US reluctance to ratify.[75]

Japan is also actively demonstrating leadership in arms control disarmament and non-proliferation diplomacy independently of the United States.[76] Since 1994, it has actively participated annually in the UN General Assembly's Disarmament and International Security Committee, and has proposed resolutions and gained international support in this forum.[77] In July 2001, it served as Vice-President for the United Nations Conference on the Illicit Trade of Small Arms and is also involved with nuclear and chemical warfare reduction.[78] By the end of the 1990s, Japan further attempted to define its international role through human security. In a speech delivered at the December 1998 ASEAN+3 Summit in Hanoi, the then Prime Minister Keizō Obuchi presented his vision for Asia in the 21st century as one based on "peace and prosperity and built on human dignity".[79] Obuchi's declaration attempted to shift the focus of international security to the individual rather than to the state, thereby subscribing greater prominence to Japanese humanitarian and ODA policies. He took initiatives to raise the importance of human security and placed infectious diseases, crime, drugs and the environment among the agendas at the Kyushu-Okinawa G8 summit in July 2000.[80] The Japanese government also had an integral role in the establishment of the United

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74 Kazuhiko Takemoto (Director, Global Environmental Protection Division, Japan Environment Agency), "Japan's Initiatives for Climate Change", *The China Council for International Co-operation on Environment and Development Phase II 1997–2003*, http://www.harbour.sfu.ca/dlam/WorkingGroups/planning/industryindex.html, accessed 3 August 2006.

75 "No Leading Role for Japan at UN Summit", *Yomiuri Shimbun*, 27 August 2002.

76 Mitsurō, Dōnowaki, Special Assistant to the Minister for Foreign Affairs of Japan, interviewed 10 December 2004, Tokyo.

77 "Japan's Foreign Policy in Major Diplomatic Fields: Arms Control, Disarmament and Non-Proliferation", *Diplomatic Bluebook for 2002*, Ministry of Foreign Affairs Japan, http://www.mofa.go.jp/policy/other/bluebook/2002/chap2-1.pdf, accessed 3 August 2006.

78 "Japan's Foreign Policy in Major Diplomatic Fields: Arms Control, Disarmament and Non-Proliferation", *Diplomatic Bluebook for 2002*.

79 "Toward the Creation of a Bright Future of Asia" (a policy speech delivered by Keizō Obuchi, at the Lecture Program hosted by the Institute for International Relations), Hanoi, Vietnam 16 December 1998, *The Ministry of Foreign Affairs of Japan Website*, http://www.mofa.go.jp/region/asia-paci/asean/pmv9812/policyspeech.html, accessed on 9 June 2002.

80 "From Okinawa to Genoa: G8 Action Based on the Decisions of Okinawa", July 2001, *The Ministry of Foreign Affairs of Japan Website*, http://www.mofa.go.jp/policy/economy/summit/2000/genoa.html, accessed 9 June 2002.

Nations Commission on Human Security (UNCHS) in June 2001, headed by former UN High Commissioner for Refugees Sadako Ogata and Nobel Laureate Amartya Sen.[81]

Less evident in the survey of the MOFA Bluebooks is the prominence of the concept "active international contribution" (*sekkyokuteki kokussai kōken*) in Japan's foreign policy during the 1990s. This concept dominated Japanese government discussions at the time and was the driving force behind the increased Japanese contributions to UN Peacekeeping Operations. Whilst the use of the term autonomy decreased during this period in comparison to the 1970s, suggesting that autonomy as establishing the reputation of the state as an individual entity was no longer a major issue for the Japanese government, similar concerns still drove Japan's quest to achieve "active international contribution". In continuation with the theme from the 1980s, the Japanese government was still tackling the need to demonstrate that Japan was conscious of taking up international responsibilities which were commensurate with its economic power. This was evident in several of the Japanese Prime Ministers of that decade addressing the issue of "active international contribution", and being able to contribute Japanese personnel overseas within the limits of the constitution was still a priority issue for the Japanese government in the 1990s.[82]

Thus, although Japan did need some international prompting in the form of the damning criticisms during the Gulf War, the 1990s witnessed unprecedented vigour in the actions and the language used by the Japanese government to establish and promote Japan's autonomous international contributions. This was a significant departure from

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81 United Nations Commission on Human Security, "Introduction to Human Security", on *Commission on Human Security on the Web*, http://www.humansecurity-chs.org/intro/index.html, accessed 9 June 2002.

82 For example, Prime Minister Kiichi Miyazawa's New Year's statement in 1992, a press conference given by Prime Minister Tsutomu Hata in April 1994, a press conference given by Prime Minister Tomiichi Murayama in July 1994, and a lecture given by Prime Minster Keizō Obuchi in October 1998, all talk about the need for Japan to make "active international contribution" and provide greater clarity in its international role. Their statements are almost always followed by a reference to the Japanese constitution, and whether potential actions where in line with them. See "Miyazawa Naikaku Sōridaijin ni yoru Nentō Kisha Kaiken" ("Prime Minister Miyazawa's New Year Press Conference"), 1 January 1992, in *Miyazawa Naikaku Sōridaijin Enzetsu Shū* (*A Collection of Prime Minister Miyazawa's Speeches*), Tokyo, Nihon Kōhō Kyōkai, 1994, pp. 618–636; "Hata Naikaku Sōridaijin ni yoru Kisha Kaiken (Prime Minister Hata's Press Release"), 28 April 1994, in *Hata Naikaku Sōridaijin Enzetsu Shū* (*A Collection of Prime Minister Hata's Speeches*), Tokyo, Nihon Kōhō Kyōkai, 1996, pp. 18–46; "Murayama Naikaku Sōridaijin Shūnin ni atatte no Kisha Kaiken (Prime Minister Murayama's Inauguration Press Conference), 1 July 1994, in *Murayama Naikaku Sōridaijin Enzetsu Shū* (*A Collection of Prime Minister Murayama's Speeches*), Tokyo, Nihon Kōhō Kyōkai, 1998, pp. 6–32; "Obuchi Naikaku Sōridaijin no Naigai Jyōsei Chōsakai Kōen 'Tōmen no Kadai'" (Prime Minister Obuchi's Domestic and International Affairs Committee Lecture 'Current Tasks'"), 22 October 1998, in *Obuchi Naikaku Sōridaijin Enzetsu Shū (Ge)* (*A Collection of Prime Minister Obuchi's Speeches, Volume Two*), Tokyo, Nihon Kōhō Kyōkai, 2003, pp. 648–659.

its tentative steps towards a greater international role seen in the previous decade, and paved the way for increased SDF contribution internationally.

Japan's Role since 11 September 2001

While Japan experimented with the notion of human security, an opportunity to rectify its response during the 1991 Gulf War came in the form of the 11 September 2001 terrorist attacks on the United States. As discussed in the previous chapter, Japan made the unprecedented move of sending the SDF overseas on a non-UN sanctioned and non-peacekeeping mission. To enable this, the Japanese government called for special emergency laws and, while it departed significantly from its response to the 1991 Gulf War, SDF activities in Iraq continue to be humanitarian focused.[83] This suggests that Japan's support for a militarily aggressive US administration and its military presence in the Middle East does not necessarily signify a shift in Japan's foreign policy towards being a "normal state" and exercising greater conventional military capabilities.[84] While the SDF deployment in the Arabian Sea was a decisive measure, it was also important as a gesture where Japan showed the "visible forms of participation" expected of it by both the United States and the international community at large. Yet, this did not necessarily signify an internally generated Japanese direction; rather a reactive response to US unilateralism.

The Bluebooks reveal that, like the tensions between Western modern statehood and Japanese modern statehood in the late 19th and early 20th centuries, there are continued apprehensions and tensions facing the Japanese government. The tensions in their modern form are over the international community's expectations of how a modern industrialised state is expected to contribute to the international community versus Japan's own differing perceptions of what state autonomy involves, its real capabilities, and actual room to respond to these expectations under US hegemony. As a consequence, the general direction of Japanese foreign policy is constantly ambiguous, and Japan's international role has been a recurring theme throughout the last three and a half decades.

For Japan, the 1991 Gulf War highlighted international expectations for "active" participation; in other words, that Japanese personnel were seen as contributing to international fora and "showing the flag" in international crisis situations. Implicit in

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83 See Chapter Two, "Japan's displays of military resolve".

84 Heginbotham and Samuels, "Japan", p. 98.

this expectation is the rationalist perspective that once a state reaches a certain level of development and prosperity, it should have the political, economic and military capacity and will to take an autonomous stance on international issues and make what international society sees as a meaningful contribution. Also implicit in this emphasis of "meaningful contribution" is that participation in international crisis situations and a true sign of sovereignty are through force, or the threat of force.

While Japan may have been attempting to meet these expectations, its efforts are criticised, or at best seen as being ambiguous, because it is unable to articulate successfully a clear policy direction due to its military restrictions and dependence on the United States for national security. The only constant factor throughout this period is the importance of the US-Japan alliance. In this respect, on a rhetorical level, Japan continues to subscribe to an externally defined rationalist expectation of its international participation. However, it is also clear that Japan has taken individual positions across various issue-specific areas, such as energy and human security issues. This suggests that the autonomous policies which international society demands of Japan differ in nature from those autonomous policies and international leadership actually pursued by Japan. Therefore, while autonomy was interpreted by the Japanese government and MOFA as policies that answer realist expectations of independent state behaviour, namely active political and military leadership in international issues, they were often enacted though non-realist means such as financial and humanitarian policies and also through United Nations Peacekeeping Operations.

Autonomy in Japanese Foreign Policy Analysis

The final step in this chapter's investigation of Japanese interpretations of autonomy, and the context in which it is formulated, is an assessment of autonomy in academic literature on Japanese foreign policy. It is important to include how specialists and intellectuals have explored post-1945 Japanese foreign policy, not only for the purpose of determining how they assess autonomy itself, but to also gauge the parallels between their analyses, Japanese philosophical traditions and government perspectives of Japan's international role. Are the tensions found in Japanese experiences of modern statehood and recent expectations of international leadership and state autonomy evident in these analyses? An answer to this is critical in order to complete the investigation of whether an autonomy that is socially and historically specific to the Japanese experience exists, its specific characteristics, and how it is pursued under hegemony.

This section answers these questions by dividing some influential works of contemporary Japanese foreign policy analysts into three categories according to their interpretations of Japanese autonomy: those who argue that Japan has very little autonomy; those who believe that Japan does practice autonomy and aims to maximise its national interest much in the manner of realist interpretations of state behaviour; and those who voice alternative analyses to these two opposing views. The divisions are a useful way to investigate why such differing interpretations of autonomy emerge and, as a consequence, help to determine the existing perceptions of how and in what direction Japanese autonomy is being pursued. These categorisations are also helpful in highlighting the trends in the academic literature on Japanese foreign policy and, more importantly, in reflecting the tensions between domestic and international expectations of state autonomy which emerge in any academic analysis.

Japan as a "Reactive State"

The Diplomatic Bluebooks recognised that Japan demonstrated unusually little independence of policy in relation to the size of its economy, and argued in the 1980s that it needed to practise policies that were "commensurate with its economic power". This assumes that greater economic capabilities should rationally lead to the pursuit of greater autonomy and greater influence or leadership internationally. Not to pursue such autonomy is to have a fundamental lack of capability which, in the case of Japan, translates to a lack of military capability. However, does this render Japan "nautonomous"? The following presents the differing arguments on autonomy from those that perceive Japan as being largely reactive and having little autonomy under US hegemony.

Kent E. Calder argues that, rather than seeking strategic patterns in Japanese foreign and economic policies, it is more useful to perceive Japan's policies as being reactive.[85] He largely views Japan's reactive policies—a diminished capacity to practise systematic state autonomy—as being a result of fragmented state authority,[86] an unusual sensitivity to domestic interest-group pressures,[87] and the influence of the Japanese media.[88] He also provides several examples where Japan showed reactive deferential behaviour in the face of foreign pressure—some indeed in the face of "massive and

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85 Calder, "Japanese Foreign Economic Policy Formation" p. 518

86 Calder, "Japanese Foreign Economic Policy Formation" p. 528.

87 Calder, "Japanese Foreign Economic Policy Formation" p. 530.

88 Calder, "Japanese Foreign Economic Policy Formation" p.534.

rising Japanese economic capabilities throughout the 1980s."[89] One such example is the Plaza Accords, where Japan was pressured to co-operate actively in driving down the US dollar by raising the value of the yen. This move in turn reduced Japan's export profit margins, but it chose to co-operate in spite of its economic power.[90] Calder suggests that, while a more proactive Japanese leadership could be expected in sector-specific areas, Japan would not become an overarching political hegemon comparable to the United States because of the domestic constraints in expanding its military capacities.[91] In 2003, Calder reiterated this theory of reactivity: that the external environment, particularly "the embedded position of the United States, as [its] principal ally and trading partner in a US dominated unipolar world" is the determinant of Japanese foreign policy, and that Japan will remain a reactive state for the foreseeable future.[92]

Yōichi Funabashi and Dennis Yasutomo support Calder's argument about Japan as a reactive actor and as having little autonomy. However, they argue that the reasons lie in the structures of Japanese society and cultural identity. Funabashi argues that Japan has a history of being a "reactor par excellence",[93] because it has always found it necessary to adapt to external rules. This was evident in its adoption of Western notions of international law and diplomacy, and its entry into international society,[94] and also in its adaptation to the international structure which emerged following the Second World War. Funabashi adds that the hierarchical nature of Japanese society also contributed to the enduring post-1945 environment of hegemony. He views post-Second World War Japan as being overly dependent on the United States, and argues that Japan's subservient position often invites foreign pressure, or *gaiatsu*, which focuses debate away from discussion on generating independent policies and initiatives.[95] This analysis also portrays Japan as a follower of the United States, and underplays Japan's ability to formulate autonomous foreign policies.

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89 Calder, "Japanese Foreign Economic Policy Formation", p. 525.

90 "Japan Business Leaders say Yen Overvalued", *Reuters*, 14 March 1988; Michael Sesit, "Nissan shows how the Yen can be Overcome", *Australian Financial Review*, 24 October 1988.

91 Calder, "Japanese Foreign Economic Policy Formation", p. 541.

92 Calder, "Asia's Shifting Strategic Landscape: Japan as a Post-Reactive State?", *Orbis*, vol. 47, Issue 4, Fall 2003, pp. 605–16.

93 Funabashi, "Japan and the New World Order", p. 60.

94 Hidemi Suganami, "Japan's Entry into International Society", *The Expansion of International Society*, Hedley Bull and Adam Watson (eds.), Oxford, Clarendon Press, 1985, pp. 185–200.

95 Funabashi, "Japan and the New World Order", p. 62.

Yasutomo further adds to the discussion of Japan as a reactive state, and attributes this as a characteristic deeply entrenched in Japan's identity. He describes Japan's reactivity as:

> ...[A] congenital defect of the body politic, deeply embedded in the postwar national psyche and the policy process. It constitutes the identity of the Japanese state and nation. This picture argues or implies that reactivity applies to Japan's entire diplomacy, not just to the political dimension, that it subordinates indigenous motives or interests, de-emphasizes will or choice, and makes few efforts to shape, rather than take the shape of, the environment. This is not the profile of a great power; it is the profile of a dysfunctional state and a passive, stagnant diplomacy.[96]

The problem in Funabashi and Yasutomo's argument lies in the fact that they describe Japan as being *profoundly* weak in the face of the United States and dismiss Japanese autonomy altogether, despite there being examples of Japan taking different and conflicting positions to the United States as discussed in the introduction.

Japan as a Maximiser of National Interests

While there is the perception that Japan is a "reactive" state with little autonomy, on the other hand there have also been studies that rightly question such a simplistic depiction of post-Second World War Japanese foreign policy and argue that Japan is a reactive state, but one that is far more calculating of its own interests.[97] This perception assumes that the autonomy of a rational actor, with the freedom and capabilities to choose or not to choose the most beneficial options for the maximisation of its national interests, drives Japanese foreign policy.

Kenneth Pyle's argument supports this interpretation of autonomy when he reasons that Japan continues to prioritise the pursuit of its national interests over participation in international initiatives. Pyle explains that Japan's historical legacy of high dependence on the United States has created a state that remains largely introverted and uses its dependence strategically to serve its self interests.[98] This flows from what he describes as "conservative leaders' opportunistic adaptation to the circumstance of the international order" and the fact that "[t]he Cold War structure of international politics allowed Japan to rely on the United States to guarantee its security and the international free trade order, while Japan was free to follow policies of economic nationalism."[99]

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96 Dennis Yasutomo, *The New Multilateralism in Japan's Foreign Policy*, London, Macmillan, 1995, p. 182.

97 Pyle, *The Japan Question*, p. 140.

98 Pyle, *The Japan Question*, p. 142.

99 Pyle, *The Japan Question*, p. 4.

Rapid economic growth was seen as proof of extremist tendencies, and even during the post-Cold War period, the United States still saw itself as a "cap in the bottle" of Japanese militarism.[100] Japan was therefore perceived as a mercantilist force, and residual mistrust of Japanese intentions and national character in general was displayed by the United States, which fuelled the vicious cycle of Japan being perceived as a threat. Pyle's analysis suggests that Japan's ability to break from the pattern of strategic dependence and the quietly aggressive pursuit of national interest was limited and, consequently, his analysis of Japanese autonomy places its economic capabilities in the same light as the extreme militaristic forms of autonomy pursued in pre-1945 Japanese foreign policies.

Many other analysts argue the "strategic vulnerability" or "free-rider" line and suggest that Japan's autonomy entails the choice for it to remain passive in international politics and to continue its alliance of dependence with the United States. William Nester proposed this in his argument of Japan having a "coping" strategy that enabled it to successfully execute its neo-mercantilist policies.[101] Nester maintains that Japan's strategy combined strategic aloofness, careful calculation of the international situation with all its alternatives, and "diplomatic jujitsu" of "public relations campaigns, playing various American interests off against each other, diverting attention to multilateral and/or geopolitical issues, and promoting the image of a poor, weak Japan adrift in a hostile world".[102] Richard Holbrooke also suggests that Japan is "free-riding" in his discussion of US pressure on Japan to increase the latter's defence expenditure. He argues that Japan was able to devote more of its resources to non-military spending only because it spent less than 1 percent of its GDP on defence, as opposed to 5 percent in the United States.[103]

Unlike arguments that make only implicit and indirect references to Japanese autonomy, Michael Green and Richard J. Samuels address autonomy more explicitly. They argue that Japan "gave up its autonomous role in international affairs and allowed

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100 Pyle, *The Japan Question*, pp. 11–16.

101 William Nester, "Rules of Engagement: Psychological and Diplomatic Dynamics of American-Japanese Relations", *Asian Survey*, vol. 35, no. 4, April 1995, p. 335.

102 Nester, "Rules of Engagement", p. 335.

103 Richard Holbrooke, "Japan and the United States: Ending the Unequal Partnership", *Foreign Affairs*, vol. 70, no. 5, Winter 1991/1992, pp. 41–57, p. 52. This is somewhat of a misconception, as Japan's defence budget, even with US security guarantees, is the second largest in the world. See Ralph A. Cossa (ed.), *Restructuring the US-Japan Alliance: Towards a More Equal Partnership*, Washington, Center for Strategic and International Studies Press, 1997, p 58.

the United States to shape its strategic environment",[104] but that "an insulated economy and polity" continues to inform Japan's policy choices and its pursuit of autonomy.[105] They suggest that Japan's pursuit of autonomy is unique in that it has been unusually successful in "reducing or avoiding the costs of interdependence" with the United States. They predict that Japan will continue to "dither politically and economically" with their "[d]ebates over autonomy and interdependence...unresolved".[106]

However, there are weaknesses in their analysis; in particular their argument that Japan avoided the costs of interdependence, which implies that Japan has considerable freedom as a "rational" actor and could act in accordance with its self-interests. As a result, Green and Samuels tend to overplay Japan's ability to make independent policy choices and ignore the fact that Japan does in fact make some concessions and accommodates US interests. Again, the Plaza Accords provides a telling example of this point. In addition, arguing that Japan is "successful in reducing or avoiding the costs of interdependence" with the United States seriously under-emphasises the complex interdependencies of the Japanese economy,[107] and the significant financial and domestic costs borne by Japan in having US troops stationed on its soil.[108] These incidents are clearly episodes of limited state autonomy and do not signify a calculated avoidance of responsibilities within the alliance.

Samuels makes another analysis of autonomous Japanese foreign policy in the current international context by similarly suggesting that maintaining this US military alliance not only conflicts with Japan's economic mercantilist policies, but will prove difficult to sustain. Samuels and Eric Heginbotham call this Japan's "dual hedge". The first is an economic hedge of independent diplomacy that "focuses on developing strategic economic and political relationship with a variety of states"[109] and "include[s] several that the United States identifies as present or potential military security

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104 Michael Green and Richard J. Samuels, "Recalculating Autonomy: Japan's Choices in the New World Order. *The National Bureau of Research Analysis*, vol. 5, No. 4, 1994, p. 5.

105 Green and Samuels, "Recalculating Autonomy", p. 5.

106 Green and Samuels, "Recalculating Autonomy", p. 21.

107 It should be acknowledged that Japan has known to seek to avoid *excessive* dependence on one particular state by diversifying its trading partners. However, the Japanese economy is heavily reliant on trade, and some form of interdependence must be embraced, reluctantly or not. It is for this reason that I assert that it is mistaken to perceive Japan as a state bent on avoiding *any* form of interdependence.

108 The rape of a young school girl in Okinawa in September 1995 being a good example of this Makoto Iokibe, "Reisengo no Nihon Gaikō" ("Post-Cold War Japanese Diplomacy") in Iokibe, *Sengo Nihon Gaikōshi*, pp. 225–266, p. 241.

109 Heginbotham and Samuels, "Japan", p. 97.

threats".[110] The second is a "hedge against military threats [that] continues to revolve around maintaining the US-Japan military alliance".[111] Heginbotham and Samuel argue that the dual hedges demonstrate "how much US and Japanese policy preferences have diverged"[112] and that Japan will eventually have to choose between being a more committed US ally or fostering relations with its other economic partners.[113]

While Heginbotham and Samuels are correct in saying that these two hedges primarily motivate Japanese foreign policy rather than the normative constraints of Japan's post-Second World War anti-militarist culture, nothing in this dual hedge is necessarily unique to the Japanese situation, nor are the two hedges necessarily a conflict zero-sum game. As Heginbotham and Samuel point out, the United States also engages in such hedging in its relations with China. Both Japan and the United States have extensive trade relations with the rising Asian power and, despite Japan's percentage of overall trade with China being about double that of the United States,[114] the United States has "recently surpassed Japanese levels in absolute terms".[115] Also, as Heginbotham and Samuels point out in their examples of Japan's relations with Iran and its efforts towards regional economic integration, [116] Japan can "enhance and complement its US alliance".[117] It is possible, therefore, for Japan to pursue "two hedges" without Japanese autonomous policies necessarily either leading to conflict with the United States or undermining the US-Japan alliance.

Defensive Realism as an alternative explanation?

While offensive realist explanations clearly do not adequately explain Japanese foreign policy, defensive realist explanations of international relations might better explain Japan's behaviour under US hegemony. Defensive realists could argue that Japan's foreign policy is a symptom of states choosing cooperation rather than confrontation as a means of self-help under anarchy.[118] Defensive realists argue "that the international

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110 Heginbotham and Samuels, "Japan", p. 98.
111 Heginbotham and Samuels, "Japan", p. 97.
112 Heginbotham and Samuels, "Japan", p. 123.
113 Heginbotham and Samuels, "Japan", p. 124.
114 Heginbotham and Samuels, "Japan", p. 113.
115 Heginbotham and Samuels, "Japan", p. 112.
116 Heginbotham and Samuels, "Japan", p. 106.
117 Heginbotham and Samuels, "Japan", p. 110.
118 Jack L. Snyder, *Myths of Empire: Domestic Politics and International Ambition*, Ithaca, Cornell University Press, 1991, Charles L. Glaser, "Realists as Optimists: Cooperation as Self-Help", *International Security*, vol. 19, no. 3, Winter 1994/1995, pp. 50–90.

system provides incentives only for moderate, reasonable behaviour"[119], and that security is best achieved through the restraint of force. "Buck-passing", or transferring the costs of security by relying on other sources, is one type of defensive realism,[120] and those who subscribe to this argument might suggest that Japan can seek autonomy within US hegemony in this way.

When "buck-passing" theory is applied to the Japanese context, their argument would assume that Japan contributes to its alliance relationship with the United States in as limited a way as possible, and only increases its contribution when support from the US seemed to be waning.[121] Whilst this might sound a convincing argument which helps to explain Japan's increases in defence spending in the 1970s and 1980s,[122] which is arguably an example of Japanese autonomous action which did not necessarily go against US hegemony in the region, Jennifer M. Lind correctly points out that defensive realism cannot fully explain why Japan continued to expand its military capabilities in the immediate post-Cold War period when security threats diminished.[123] In fact, hegemonic pressure encouraged Japan to contribute more to the alliance in the post-Cold War period, particularly after Japan's weak contribution in the Gulf War of 1991, and the influence of this hegemonic context is still evident in Japan's increased military cooperation with the United States, particularly in its "War on Terrorism".

On Constructivism

As mentioned previously in the Introduction, constructivist theorists such as Katzenstein and Berger argue that the antimilitarist norms that have developed in post-Second World War Japanese society have informed their "non-violent" domestic and international security policies. Katzenstein argues that antimilitarism causes the Japanese government to be largely passive in the international arena because it is reluctant to take action abroad when the norms on defence are so deeply contested

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119 Snyder, Myths of Empire, pp. 10–13, 108.

120 Thomas J. Christensen and Jack L. Snyder, "Chain Gangs and Passed Bucks: Predicting Alliance Patterns in Multipolarity", International Organization, vol. 44, no. 2, Spring, 1990, pp. 137–168; Susan J. Pharr, "Japan's Defensive Foreign Policy and the Politics of Burden Sharing" in Gerald L. Curtis (ed.), *Japan's Foreign Policy After the Cold War: Coping with Change*, New York, M.E. Sharpe, 1993, pp. 235–262.

121 Pharr, "Japan's Defensive Foreign Policy", pp. 240–242.

122 Jennifer M. Lind, "Pacifism or Passing the Buck? Testing Theories of Japanese Security Policy", International Security, vol. 29, no. 1, Summer 2004, pp. 92–121, pp. 107–109.

123 Lind, "Pacifism of Passing the Buck?", pp. 115–116.

within Japan.[124] Berger similarly argues that Japan will not seek to become a military power because of the postwar culture of antimilitarism:

> ...[A]ntimilitarism is one of the most striking features of contemporary Japanese politics and has its roots in collective Japanese memories of the militarist takeover in the 1930s and the subsequent disastrous decision to go to war with America.
>
> The chief lesson Japan has drawn from these experiences is that the military is a dangerous institution that must be constantly restrained and monitored lest it threaten Japan's postwar democratic order and undermine the peace and prosperity that the nation has enjoyed since 1945. This particular view of the military has become institutionalized in the Japanese political system and not only is supported by Japanese public opinion, but to.a surprising degree is shared by large segments of Japan's political and economic elites as well.[125]

To have given such an analysis of Japanese security policy is to overlook Japan's deployment of the Self-Defence Force after the 1991 Gulf War, and also the impact US pressure had in the Japanese government making this decision. Furthermore, it also ignores the fact that antimilitarism and Article 9 are interpreted according to political needs:

> [T]he pacifist article 9 has proven to be as malleable as Tokyo wants to make it. Because many Japanese people hold deeply antimilitarist views, U.S. leaders should be cognizant of the sensitivity of military issues in Japanese society. Nevertheless, Tokyo can bring its public along when it wants to.[126]

Therefore, antimilitarism does not convincingly reflect the reality of Japanese foreign policy, because of this, it does not shed much light on how it practices autonomous foreign policy within its relationship with the United States.

Japan's Constructive Pursuit of Autonomy within US Hegemony

While recognising Japan's subordinate role in the US-Japan alliance, some scholars have noted the potential for Japan to play a more active and autonomous role internationally within US hegemony. These recent works have pointed to a more nuanced explanation of Japanese foreign policy behaviour vis-à-vis the United States and paint a more complex picture of a Japan that is neither subservient to the wishes of the United States nor totally pursuing its interest free from the constraints of the US-dominated international environment in which it finds itself.

For example, Michael Green, in his book *Arming Japan: Defense Production, Alliance Politics, and the Postwar Search for Autonomy*, addresses the issue of Japan's

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[124] *Cultural Norms and National Security: Police and Military in Postwar Japan*, p. 121.

[125] Berger, "From Sword to Chysamthumum", p. 120.

[126] Lind, "Pacifism or Passing the Buck?" pp. 120.

autonomy in defence production and how it interacted with, and was limited by, US interests. Green begins by asserting that Japan's policies of the indigenisation of Japanese arms production (or *kokusanka*) is motivated out of fear of abandonment and thus driven by its pursuit of greater defence autonomy.[127] Interestingly, Green concludes that increased autonomous arms production did not necessarily bring about greater freedom from the United States, but rather it made Japan realise that effective arms production required greater co-operation with the United States.[128] In other words, "pursuit of *kokusanka* forced on Japan anew calculation of autonomy—a calculation in which indigenous capabilities would lead to greater influence *within* the alliance structure rather than escape from dependence on the United States".[129] Furthermore, his historical analysis of Japan's defence production clearly indicated a change in US attitudes as Japan's economic power became stronger relative to the United States. While the United States originally encouraged autonomous defence production in the 1950s and 1960s, as Japan's economic power and technological advancement increased, the less supportive of Japan's autonomous defence production policies it became.[130] Green's analysis demonstrates a more nuanced account of Japanese autonomy within the confines of US influences and perception of subordinate states.

By contrast, Takashi Inoguchi and Purnendra Jain have likened Japanese foreign policy to *karaoke*—in this case, singing along to the tune of the United States.[131] While this suggests that Japan has very little autonomy—and many of the chapters in their book advance this argument by demonstrating how the United States has lobbied or coerced Japan into more favourable policy lines—Inoguchi and Jain suggest that the "singer" can still maintain autonomy by choosing which song to sing, and in which style to deliver it.[132] Concrete and notable examples of Japan's independent and more autonomous foreign policies in the broad framework of US hegemony that they raise include Japan's Official Development Assistance, and monetary contributions to regional and international institutions.[133] Jūichi Inada also supports the argument of Japan functioning within hegemony in his analysis of Japanese foreign aid. Inada

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127 Michael Green, *Arming Japan: Defense Production, Alliance Politics and the Postwar Search for Autonomy*, New York, Columbia University Press, 1995, pp. 22–26.

128 Green, *Arming Japan*, p. 124.

129 Green, *Arming Japan*, p. 5.

130 Green, *Arming Japan*, pp. 72–85, pp. 86–107.

131 Takashi Inoguchi and Purnendra Jain (eds.), *Japanese Foreign Policy Today: A Reader*, New York, Palgrave, 2000, p. xv. The authors acknowledge that the concept "karaoke diplomacy" was coined by C. W. Braddick.

132 Inoguchi and Jain, *Japanese Foreign Policy Today*, p. xv.

133 Inoguchi and Jain, *Japanese Foreign Policy Today*, p. xvi.

observes that Japan continues to be a strong donor state despite criticisms of its ODA policies because aid is an effective and dynamic form of international input that plays to Japan's economic strength and is not restricted by Japan's military weakness.[134] Japan therefore chooses to express autonomous policies within the restrictions of the post-Second World War parameters established by the United States rather than challenging them.

Yoshihide Soeya also supports the argument of autonomy within US hegemony. Over the years, the role of the SDF in the US-Japan security alliance has become established, and its participation in regional and international security has changed dramatically. However, as Soeya points out, any changes in Japan's military capacity and activities continue to be well within the constitutional restraints of Article 9 and in a subordinate capacity to the United States. He suggests that Japanese "postwar realism" involves the maintenance of a dual identity in relation to security policy—that of a potential great power capable of affecting the international structure and that of a militarily self-restraining state.[135] Soeya argues that because of the alliance and Article 9 Japan has "avoided taking unilateral action typical of other great powers", and that rather, its diplomatic behaviour is better described as being akin to a middle power.[136] Therefore, not only does this militarily-restrained character depend on the continuation of Japan functioning under the influence of the United States, this dualism suggests that "realism" for Japan entails very different state motivations than commonly assumed in International Relations theory. This leads to a limited but not necessarily disenabling the conception and practice of autonomy.

Gerald L. Curtis also emphasises the potential for greater Japanese autonomy, but within the US-Japan alliance. He argues:

> Japan does aspire to play more of a leadership role in East Asia [and]...There is no necessary reason why it should not be able to do so in a manner that is consistent with U.S. interests in the region and that contributes to greater regional economic integration and growth. What needs to be avoided are U.S. government actions that

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134 Jūichi Inada, "Japan's Aid Diplomacy: Increasing Role for Global Security", *Japan Review of International Affairs*, vol. 2, no. 1, Spring/Summer 1988, pp. 91–112.

135 Soeya, "Japan: Normative Constraints Versus Structural Imperatives", pp. 198–199; Yoshihide Soeya, *Nihon no 'Midoru Pawā' Gaikō*, Tokyo, Chikuma Shobō, 2005, p. 20.

136 Yoshihide Soeya, "New Role as 'Middle Power'", *Asahi Shimbun Asia Network Annual Report 2001*, http://www.asahi.com/english/asianet/report/eng_2001_02.html, accessed 27 September 2006. Soeya describes the biggest difference between middle powers and as not being the difference of material power, but it can transform its power into influence. He argues that "great powers do not hesitate to use military strength as a last resort to steamroller its values and historical perspectives", but that middle powers "abandon unilateralism and take one step back from the power politics played out by great powers, and exercise important influence in areas not usual to great powers such as multilateral co-operation". See Soeya, *Nihon no 'Midoru Pawā' Gaikō*, p. 6.

> support a Japanese perception that the United States is determined to block Japan from taking regional initiatives except when asked to by the U.S. government, and Japanese actions that support an American perception that the goal of Japanese diplomatic activity in the region is to wrest "autonomy" from the United States.[137]

Again, Curtis's argument leads back to the fact that Japanese autonomy does not necessarily entail a zero-sum game, nor does Japanese autonomy have to signify direct competition against the United States.

Haruki Wada, Carol Gluck and Sang Jung Kang more specifically suggest that Japanese autonomy under US hegemony can be achieved through regional co-operation. In their discussions on modern Japanese and US foreign policy in *Towards Autonomy in US-Japan Relations: from September 11 to the Iraq/North Korea Crises*, Kang argues that, in order to become a US ally that can critically and constructively engage with contemporary US hegemony, Japan needs to move beyond a "unilateral" international position based on strict adherence to the peace constitution on the one hand, and narrow bilateralism between the United States on the other.[138] Wada supports Kang's argument and also adds that, in order to achieve this, Japan needs to reflect on its history back to the Meiji restoration to contemplate and address its mistakes in relation to the regionalism that it pursued during the decades between the 1920s and 1940s.[139] The autonomous policies through regional co-operation suggested by Wada, Gluck and Kang do not exclude the United States or undermine its power in the region. Gluck argues that Japan would need to co-operate more closely with South Korea in order to create a regional network that was neither power-balancing against each other nor dominated by hegemony, and yet inclusive of the US.[140] Gluck likens the United States to an "eight-hundred pound gorilla in the room",[141] whose presence cannot be ignored when thinking about Japan and multilateralism in the region. Similarly, the presence of the United States cannot be ignored when considering Japan's autonomy.

Shinichi Kitaoka also situates his evaluations of Japanese autonomy within the Asian region and co-operation with the United States. Kitaoka was part of the Task Force on Foreign Relations for the Prime Minister, which produced a report titled "Basic Strategies for Japan's Foreign Policy in the 21st Century—New Era, New Vision, New Diplomacy". This was submitted to the Japanese Prime Minister in late

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137 Curtis, *New Perspectives on US-Japan Relations*, p. 37.

138 Sang Jung Kang (ed.), *Nichibei Kankei kara no Jiritsu: 9/11 kara Iraku/Kita Chōsen Kiki made (Towards Autonomy in US-Japan Relations)*, Tokyo, Fujiwara Shoten, 2003, pp. 132–33.

139 Sang Jung Kang, *Nichibei Kankei kara no Jiritsu*, pp. 134–35.

140 Sang Jung Kang, *Nichibei Kankei kara no Jiritsu*, pp. 140–41.

141 Sang Jung Kang, *Nichibei Kankei kara no Jiritsu*, p. 142.

November 2002.[142] Kitaoka includes this report in his book on Japanese autonomy, co-operation with the United States and Japan's diplomacy in Asia. In this report, the taskforce recognised the continuing importance of the US-Japan alliance, particularly in the context of resolving international and regional issues, but further that a more autonomous Japanese foreign policy was necessary.[143] With this in mind, the taskforce raised autonomous Japanese initiatives in Asia such as the Asian Monetary Fund and the subsequent New Miyazawa Initiative,[144] its relations with Burma and the Middle East and, more globally, the Kyoto Protocol[145]. Another area in which the Taskforce suggested greater increases in autonomy was intelligence gathering.[146] They argued that the diversification of issues in the post-Cold War era has meant that while Japan and the United States share many values and interests, the two countries do not always agree on all issues. However, autonomous Japanese policies that tackle these issues seek to act as constructive criticism within the US-Japan alliance and to be complementary to US global interests[147]

On the other hand, Aurelia George Mulgan gives a slightly different interpretation of Japanese autonomy, but still positioning it within the US-Japan alliance framework. She argues that Japan essentially has greater freedom within its current alliance structures, because constitutional constraints give Japan more strategic freedom in that it is less able to get entangled in regional and global conflicts.[148] She argues that Japan is striving for greater autonomy to become a "normal" state, but does not necessarily desire a "normal" alliance with the United States, although its partnership with the United States will continue to be "a non-negotiable element of Japan's defence policy."[149]

The analysis of Japanese specialists and intellectuals explored in this section again shows two views of autonomy. Those who interpret Japan as either having little autonomy or having mercantilist-driven autonomy essentially have a realist perspective

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142 Shinichi Kitaoka, *Nihon no Jiritsu: Tai-Bei Kyōchō to Ajia Gaikō (Independence of Japan: Co-operation with the US and Diplomacy in Asia)*, Tokyo, Chūō Kōron Shinsha, 2004, p. 246. The taskforce consisted of nine panel members, including academics, diplomatic analysts, and the heads of the Japan External Trade Organization (JETRO), Japan Bank for International Co-operation (JBIC) and Toyota Motor Corporation.

143 Kitaoka, *Nihon no Jiritsu*, pp. 254–55, p. 260.

144 Kitaoka, *Nihon no Jiritsu*, p. 260.

145 Kitaoka, *Nihon no Jiritsu*, p. 255.

146 Kitaoka, *Nihon no Jiritsu*, p. 260.

147 Kitaoka, *Nihon no Jiritsu*, p. 255.

148 Aurelia George Mulgan, "Japan's Defence Dilemma", *Security Challenges*, vol. 1. no. 1, November 2005, pp. 59–72, p. 60.

149 Mulgan, "Japan's Defence Dilemma", p. 71.

of state behaviour and what autonomy entails. The interpretation that Japan is reactive assumes that it has little autonomy to speak of because it fundamentally lacks the material capacities necessary to challenge the United States. On the other hand, academics, who interpret Japan's autonomous foreign policies as being mercantilist, ultimately perceive that this is directed as a challenge to the United States. As a consequence, autonomy is perceived as those actions or non-actions which Japan is able to take in order to achieve national interests with ultimately zero-sum outcomes. In other words, Japan either submits to the hegemony of the United States, or challenges the mutual interests of the alliance.

In contrast to this, the third view of autonomy in academic analysis demonstrates an interpretation of active Japanese autonomy within US hegemony. This is an autonomy in which Japan pursues international initiatives and national interests to the best of its capabilities, but strictly within the confines of US hegemony and the US-Japan alliance. This entails increased flexibility of the SDF in support of the American position in the Gulf War, and more recently in operations in Iraq, but also of active Japanese initiatives through aid, as well as humanitarian and environmental policies. Japanese autonomy within US hegemony also manifests itself through regional economic initiatives. When viewed through a realist prism, some of these initiatives suggest Japanese foreign policies are in conflict with the United States. This third category of academics emphasise that Japanese autonomy can be *away* from an excessive dependence of the United States, although this does not necessarily mean a move *against* the United States.

The disparities found in the interpretation of autonomy in Japanese foreign policy in this section also reveal that the tensions discussed in Japan's experience of modern statehood and more recent expectations of international leadership are also prevalent in academic literature. The first two academic views demonstrate an interpretation of autonomy that would be anticipated of a modern state. Yet the third view shows that the Japanese experience of autonomy is actually placed within narrower confines of US hegemony, and thus neither necessarily answers the anticipations of the rational actor under modern statehood nor follows state behaviour under anarchy.

Conclusion

In the first chapter, autonomy in International Relations theory was defined as the principle and the liberty of a state which enables it to exercise control over its allocation

of resources and choice of government,[150] and to determine the conditions of its own affairs, as long as it does not negate the rights of other states.[151] After the analysis of three bodies of literature on Japanese foreign policy, how does this definition compare to the Japanese experience of statehood and state autonomy?

The discussion in this chapter demonstrates that Japan indeed has not followed a linear path of modernisation and development and, as a consequence, has a quite different interpretation of state autonomy. As discussed in Chapter Two, Japan's experiences following its defeat in the Second World War place it squarely under a system of US hegemony. However, this chapter shows that it also has a longer history of being more broadly under the hegemony of Western thought in regard to the modern state, and the attendant expectations of behaviour. The section on Japanese political philosophy in particular reveals this, where the discussion identified Western modern statehood as arising from a history of internal liberation that broke the bonds of old traditions and thinking. Contrary to the Western experience, modern statehood in Japan was born of an almost blind emulation of the West out of necessity to catch and keep up with "modernity". Japan neither critically examined its own old traditions nor those new Western traditions it adopted and, consequently, continues to suffer from placing itself within the external values of Western modern statehood. Because Japan defines its statehood through external values, this essentially limits the very foundation of freedom and independence on which state autonomy is based.

The sections following the discussions on Japanese political philosophy reveal that Japan moved from functioning under the hegemony of ideals of Western modern statehood from the late 19th century until 1945, and then shifted to following the directives of US hegemony post-1945. The Diplomatic Bluebooks stand as a testament to the fact that a similar conflict remains today between domestic conceptions of autonomy and the international expectations of an economic power's state autonomy. The Bluebooks also reveal the internal ambiguities about how to effectively achieve these expectations without disrupting US hegemony. Because Japan functions under an international system moulded by the United States, the origins of the values and pressures that inform its policies are external and, therefore, autonomy is far narrower than conventionally expected of a modern industrialised and economically powerful

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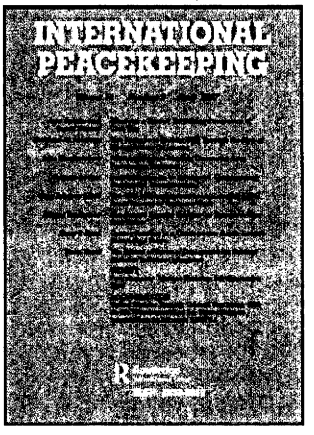
[150] Wendt, *Social Theory of International Relations*, pp. 235–36.

[151] Held, *Democracy and the Global Order*, p. 147.

state. Consequently, Japan does not conform to the assumptions of state behaviour prevalent in rationalist theories discussed in Chapter One.

Having established that there is a specifically Japanese experience of state autonomy and the context in which it has come about, what are the specific characteristics of the autonomy that Japan practises within hegemony? As Calder suggests, it is reactive—it must be if Japan is constantly evaluating itself against external values, and it goes without saying that Japan needs also to be relentlessly mindful of US interests. Japanese autonomy is defined in this study as a process whereby state interests are reactively negotiated in order to meet domestic and international expectations without disrupting US hegemony.

However, the academic analyses of Japanese foreign policy suggest that this does not make Japan a "nautonomic" actor in its relations with the United States or in international relations in general. While analysts that subscribe to the rationalist assumptions of state behaviour tend to assess reactive Japan as either having little autonomy or mercantilist Japan using its autonomy to undermine US hegemony, there are several ways in which Japan has exercised autonomy in a capacity that, despite being independent, remains co-operatively with both its alliance with the United States and US hegemony. The following chapters present three examples of Japanese foreign policy where Japan has conducted autonomous policies *away* from, yet not *against*, the United States, with varying degrees of success. The next chapter focuses specifically on Japan's relations with Iran, with particular regard to Japan's recent bid to develop the Azadegan oil field.



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Japan's policy towards UN peacekeeping operations

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Japan's Policy towards UN Peacekeeping Operations

KATSUMI ISHIZUKA

International criticism of Japan's policy in the 1991 Gulf War prompted Japan to create a peacekeeping law, 'the PKO law' in 1992, to provide a legal framework for international peacekeeping activities. However, the PKO law imposed certain restrictions which complicated the missions of the Japanese Self Defense Forces (SDF) in operational fields. After 11 September 2001, the Japanese government created a new legal framework for peacekeeping and dispatched its SDF personnel to East Timor. Japan's participation in peacekeeping should be motivated by several factors, such as its desire to develop a distinctive international policy, its regional considerations and the military benefits that derive from peacekeeping. Several official UN reports, such as *An Agenda for Peace* in 1992 and the Brahimi Report in 2000, urge Japan to broaden its options in the types of mission that it undertakes. The burden-sharing with the United States also encourages Japan's regional role as a peacekeeper.

Japan joined the UN in 1956. Since then it has adopted a 'UN-centred policy' as a main pillar of its foreign policy. As far as Japan's recent contribution to UN operations is concerned, Japan has sent 442 peacekeepers in the form of UN troops, to the Disengagement Observer Force (UNDOF) in the Golan Heights and the UN Mission of Support in East Timor (UNMISET). At the end of October 2003 this figure ranked Japan at 26th among contributing UN member states.[1] However, Japan's policy towards UN operations has been complicated by several domestic factors, such as its Constitution and the right of collective defence. Meanwhile, various changes in the international political climate and the increasing demand for conflict resolution have compelled Japan to seek a new approach to participation in UN peacekeeping. This essay explains that the Gulf War in 1991 and the 11 September 2001 terrorist attacks in the United States were catalysts in the evolution of Japan's policy towards peacekeeping, and identifies several operational problems caused by the state's restraining domestic laws. Finally, the essay clarifies the national interests of Japan in relation to UN peacekeeping and proposes options for the state's future peacekeeping policy.

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The Origin of Japanese Peacekeeping Policy

The first significant domestic controversy over a Japanese military role within the international community was brought about by the Iraqi invasion of Kuwait in August 1990. US President George Bush (Sr) recognized Japan's constitutional restraints and asked Japanese Prime Minister Toshiki Kaifu to contribute minesweepers and other logistical support to the war. However, Kaifu was very reluctant to accede to this request. After the international coalition commenced airstrikes against Iraq in January 1991, Japan's 'non-bloodshed' policy was the subject of much criticism from the international community. US pressure on Japan was particularly significant. Former US Secretary of State James Baker said during a speech to the Japan Institute for International Affairs in Tokyo in November 1991, 'your checkbook diplomacy like our dollar diplomacy of an earlier era is clearly too narrow'.[2]

In Japan, the clamour for a larger role in world affairs was pervasive. The Foreign Ministry White Paper of 1991 stated that military personnel contributions were indispensable. Gradually, a consensus developed among the main political parties and the Japanese public that Japan should play a more active role in maintaining international peace and security rather than simply contributing money to solve global problems. In those days, the number of UN peacekeeping operations had sharply increased due to the outbreak of internal conflicts in the post-Cold War period. Therefore, UN peacekeeping, which was a consent-type operation and less coercive than multinational forces, was considered to be an ideal conflict resolution mechanism in which the SDF should initially participate. In fact, Prime Minister Kiichi Miyazawa stated that Japan's international contribution 'should include some "sweating" or dispatch of personnel to assist UN peacekeeping operations' rather than relying solely on 'a lavish scattering around of aid'.[3]

Opinion among the Japanese public and the major political parties shifted significantly after the Gulf War. According to an opinion poll conducted by the largest newspaper company in Japan, while in June 1988 only 22.5 per cent of Japanese citizens said, 'it is preferable that the SDF can be dispatched to peacekeeping operations', this figure rose sharply to 67.8 per cent after the Gulf War in April 1992.[4] In other words, Japanese citizens realized the significance for Japan of military contributions to international operations after international criticism for not doing so during the Gulf War.

On 6 June 1991, the ruling Liberal Democratic Party created a 'Special Study Group on Japan's Role in the International Community', chaired by LDP General Secretary Ichiro Ozawa, which became known

as 'the Ozawa Commission'. The Commission claimed that the Preamble of the Japanese Constitution had a clear provision for Japan's pursuit of peaceful cooperation with all nations, and therefore that the dispatch of the SDF to UN forces under Articles 42 and 43 of the UN Charter would be constitutional.[5] The Commission also maintained that on the subject of so-called 'multi-national forces', authorized under UN Security Council resolutions, as in the Gulf War, Japan would be able to contribute a logistical unit. Its conclusion, published in November 1991, strongly recommended Japan's participation in UN peacekeeping operations as well. The US Ambassador to Japan, Michael Armacost, had already argued that whether Japanese contingents could be dispatched to the UN Transitional Administration in Cambodia (UNTAC) would be a touchstone of the provision of its peacekeeping commitment in the future.[6] The International Peace Cooperation Bill, the so-called 'PKO' bill, was presented to the Diet in September 1991. It included the so-called 'Five Principles' for the participation of a Japanese contingent in peacekeeping operations.

1. Agreement on the ceasefire shall have been reached among the parties to the conflict.
2. The parties to the conflict, including the territorial states, shall have given their consent to deployment of the peacekeeping force and Japan's participation in the force.
3. The peacekeeping force shall maintain strict impartiality, not favouring any party to the conflict.
4. Should any of the above guideline requirements cease to satisfy the Government of Japan, it may withdraw the contingent.
5. Use of weaponry shall be limited to the minimum necessary to protect the lives of personnel, etc.[7]

The opposition parties such as the Democratic Socialist Party and Komeito Party called for the creation of a separate organization from the SDF for Japan's peacekeeping participation. The Socialist and Communist parties were adamant in their opposition to the bill on the grounds that the SDF's dispatch to peacekeeping was unconstitutional. However, more precisely, all of the three largest political parties – the LDP, the Socialists and Komeito – contained factions that favoured the SDF's participation in UN peacekeeping as well as opponents.

It was clear that the issue of the creation of a separate organization from the SDF was meaningless; organizations that participate in the military sector of peacekeeping operations are internationally regarded as military organizations. The important thing was not 'who would act as

the Japanese contingent' but 'what the Japanese contingent could do as a peacekeeper'. This issue was, however, sidelined. Providing the SDF with opportunities to participate in UN peacekeeping operations would help to broaden the international perspective of the SDF and defence authorities. It would also enhance public understanding of the SDF and, externally, increase transparency of the real image of the SDF and eventually build confidence in Japan. However, these benefits did not receive attention in the debates. Public opinion was divided. A poll conducted by the *Asahi Daily* indicated that 41.6 per cent of respondents favoured SDF participation in UN peacekeeping operations, while 36.9 per cent did not.[8]

The PKO Bill was finally voted into law in June 1992 after stormy deliberation and resistance by the opposition parties. Thus, the new International Peace Cooperation Law became the legal authority for SDF participation in all peacekeeping operations conducted by the UN. It was significant that this debate was the first opportunity for both the Japanese Diet and the public to seriously discuss the possibility and perspectives of their country's first 'physical commitment' to international peace and security. It can be said that international criticism of Japan in the aftermath of the Gulf War urged Japan to seek a consensus on how to win international respect in terms of conflict management on the world stage.

One question can be raised: what factors prompted Japan to change itself from a passive observer to a more proactive contributor to peacekeeping operations after the Gulf War? From a liberal internationalist perspective, Japan and its citizens genuinely realized the necessity to make not only a financial contribution, but also a human contribution to peacekeeping in order to become 'a normal nation'. This psychological shift among the Japanese government and citizens was partly due to the humiliation of Japan's glaring omission from Kuwait's public declaration of gratitude after the Gulf War.[9] It is also noted that the rapidly increasing number of UN peacekeeping operations in the post-Cold War era required Japan to contribute physically to peacekeeping. During his visit to Tokyo in February 1993, UN Secretary-General Boutros Boutros-Ghali also praised Japan and sought to encourage further participation within the framework of the Japanese Constitution.[10] Japan's ambition to play a new part in peacekeeping was also encouraged by the fact that Germany, which had similar historical experience to Japan during and after the Second World War, had changed its constitution more than 50 times in order to meet demands from the international community and involve itself in international and regional conflicts.[11] Therefore, the Japanese government and many citizens felt a responsibility for playing a new peacekeeping role.

This shift can also be explained from a realist perspective. After the Gulf War the Japanese government was determined to be a political power in the world and, therefore, to seek a permanent seat in the UN Security Council. Indeed during that war the Minister of Finance, Ryutaro Hashimoto, hinted at the Japanese government's irritation at not having detailed information about the war because Japan was not a permanent member of the Security Council.[12] The government considered that participation in UN peacekeeping was a minimum condition for obtaining a permanent seat, and Japan's commitment to some UN operations was primarily due to the ambition of the Ministry of Foreign Affairs (MFA) on this issue. For instance, following the termination of the Japanese SDF's stationing in ONUMOZ in Mozambique at the end of 1994, Japan was no longer scheduled to participate in UN peacekeeping operations. However, the MFA wanted to maintain continuous involvement, and hurriedly sent 15 electoral observers to ONUSAL in El Salvador, although the mission stayed only a week. The process by which the SDF were dispatched to UNDOF in the Golan Heights was similar.[13] The policy was also affected by external factors. In July 1994, the US Senate passed a resolution threatening not to support Japan's bid for a permanent Security Council seat unless it lived up to a full commitment to peacekeeping operations, particularly with reference to the possibility of war on the Korean peninsula.[14] Yasushi Akashi, the Special Representative to UNTAC, also argued that 'If Japan were given the status of a Security Council permanent member, it needs to act in accordance with its new responsibility because the Security Council is responsible for ensuring world peace and security'.[15]

Japan's Response to International Conflicts after 11 September 2001

The attacks in the United States have had a huge impact on perspectives about how to maintain international peace and security. On the day after the attacks, the UN Security Council unanimously adopted Resolution 1368 (2001), which called on member states 'to work together urgently to bring to justice the perpetrators, organizers and sponsors of these terrorist attacks'.[16] On 28 September 2001, Resolution 1373 (2001) to combat international terrorism was also adopted unanimously. It included the phrase '*Acting* under Chapter VII of the Charter of the United Nations'. Resolution 1373 provided a wide-ranging list of measures which all states are legally obliged to implement, such as preventing the financing of terrorist acts, preventing the movement of terrorists by effective border controls, and finding ways of intensifying and

accelerating the exchange of operational information regarding the actions of terrorists and networks.[17] The adoption of these resolutions indicated that Japan's policy towards international peace and security in the post-11 September era should also respond to more complicated operations.

Meanwhile, since the PKO law was established, several other laws involving security have been modified or enacted. In June 1998, the PKO law was reviewed in order to meet the demands of the changing climate of international security. Although the 1992 law accepted election-monitoring organized only by the UN, the current regionalization of conflict resolution led to an amendment expanding the scope of election monitoring to that sponsored by regional organizations such as the Organization of American States and the Organization for Security and Cooperation in Europe. Likewise, one of the Five Principles in the 1992 law included an agreement on ceasefires among parties to the conflicts. However, this principle required more flexibility in the post-Cold War era when many reckless and even brutal belligerent factions ignored agreements. Therefore, the law was modified to drop this principle in the case of the participation of Japanese personnel in humanitarian missions involving the UN High Commission for Refugees (UNHCR). The 1998 amendment also allowed the use of weapons by Japanese personnel when senior officers ordered them to do so.[18] Furthermore, the post-11 September period in Japan witnessed an unprecedented legal advance in crisis management, namely, the passage of the Anti-terrorism Bill, and the further amendment of the PKO law.

The Anti-terrorism Bill

The day after the terrorist attacks in the United States, Prime Minister Junichiro Koizumi ordered his cabinet members to consider the possibility of dispatching the SDF for counter-terrorist activities in the near future.[19] He subsequently mentioned in a press interview that Japan would fully support the United States and not hesitate to provide the necessary assistance and cooperation to the international community.[20] The Director of the LDP, Taku Yamazaki, also said: 'It is against the national interest not to use the SDF for counter-terrorism measures. It is possible under the current PKO law for the SDF to conduct humanitarian activities even in non-peacekeeping areas under UN resolutions as long as international organizations actually ask Japan to do so'.[21] On 23 September, the government and the LDP agreed to create a new law to enable the SDF to join counter-terrorism operations. Thus, the prompt response to the 11 September incidents witnessed not only the government's strong desire to overcome the 'trauma' of the Gulf

War in 1991 but also its commitment to contribute to the international community in this crisis.

According to a diplomatic source, the United States expected Japan to play a diplomatic role and to provide intelligence. In fact, President Bush positively evaluated Japan's role in the Afghan conflict in sharing intelligence and providing US$40 million in financial aid to Pakistan.[22] However in the final analysis, the primary request from Washington to Tokyo in the Afghan conflicts was to 'show the Japanese flag' or to play a physical role in the operational areas.[23]

The SDF Anti-terrorism Bill was passed on 29 October after exceptionally speedy deliberations in the Diet. Koizumi contended that: 'The focus of the legislation was whether we think of the terrorist incidents in New York and Washington on September 11th as other people's business or as our own affair'.[24] This anti-terrorism law covered such activities as providing supplies and services, including medical treatment to US forces and their allies. It also legalized search-and-rescue activities and humanitarian relief to refugees overseas with the consent of host governments. This contrasted significantly with the PKO law. Under the PKO law, the SDF would be involved in operational areas where conflicts had ended, and the SDF would take a neutral position. Under the anti-terrorism law, the SDF, although limited to logistic missions, would put itself in volatile areas, committed to 'universal objectives' of exterminating terrorists. Whereas under the PKO law the SDF was allowed to use weapons only for self-defence, the anti-terrorism law approved the use of weapons to protect those under the SDF's care including refugees and wounded foreign services members. In order to add flexibility to current restrictions on the use of force, this law would have a two-year time limit. Furthermore the government was obliged to seek Diet approval within 20 days of an SDF dispatch.[25]

The response from foreign states was largely positive. US Ambassador Baker said that the move was an important step for the bilateral alliance.[26] The Pakistani President stated that his country would warmly welcome the SDF since the Japanese force was different from those of other countries.[27] In a press interview the Thai Prime Minister expressed his support for the SDF dispatch to the Indian Ocean.[28] Meanwhile, in South Korea a senior official appreciated that the legislation aimed to eradicate terrorism, but expressed a concern that the new bills should never be allowed to harm peace and stability in Asia.[29]

The prompt passage of this bill indicated the government's enthusiasm to react to the new security climate. However, it should be noted that in the Diet debate very few argued the constitutional validity of the expected operations in terms of the issues of collective security or

collective defence. A vague but general consensus on this issue in the Diet was that logistical support would not be 'unified with combat'.[30] In addition, the SDF would not be allowed to supply and transport armed equipment and ammunition. However, in reality, missions that were conducted under this law would be collective security missions. Furthermore, in counter-terrorism measures, it would be highly probable that urgent situations would inevitably require the Japanese SDF to engage in conduct beyond the missions within the new law. This urgent, flexible and expedient decision bypassed the controversial issue of collective security in Japan.

Amendment to the PKO Law

In September 2001, the Japanese government had an initial meeting to discuss sending SDF personnel to the UN peacekeeping operation in East Timor (UN Transitional Administration in East Timor: UNTAET). Japan's role of simply providing logistical support had been debated since the establishment of the PKO law in 1992. The issue was viewed as increasingly urgent after September 2001 because the government was expected to seek a broader role for the SDF in Afghanistan and neighbouring states as peacekeepers. For example, the Director of the Pakistan Office of UNHCR stated that he expected the Japanese SDF to play a major role in supplying mine-sweepers.[31] Meanwhile, there had been reports from some former Japanese peacekeepers with experience of UNDOF in the Golan Heights that the current policy negatively affected Japanese SDF cooperation with forces from other countries. A director of the Department of Peacekeeping Operations (DPKO) in the UN also urged amendment of the PKO law: 'UN peacekeeping operations require each participating state's co-operation. Strict restrictions among states would lose flexibility in operating peacekeeping units'.[32]

The Japanese public became more aware of the necessity of the SDF's missions in international crisis management. According to an opinion poll, 44 per cent of the respondents supported the SDF's participation in UN peacekeeping forces beyond logistical contributions, with 27 per cent opposed. As for the question, 'What do you think is the most important issue for the SDF?', 47 per cent of the respondents answered 'Strengthening the ability to counter terrorism'.[33]

The Five Principles in the 1992 law were also reassessed after September 2001. For example, 'the consent of the parties to the conflict' was questioned as to its practicality, since there might be a case in which one could not clearly identify the parties to the conflict. The *Yomiuri Daily* suggested that Japan should modify the PKO law so that the

SDF's participation in UN peacekeeping could be approved if the government of a territorial state gave its consent.[34] The issue of being 'unified with combat' became less significant in the post-11 September debate.

The bill to amend the 1992 law was passed in the Upper House on 7 December 2001 in order to expand the scope of the SDF's participation in UN peacekeeping operations. It was supported by the three ruling parties and a majority of the largest opposition Democratic Party. The revised bill lifted a 'freeze' on SDF participation in UN peacekeeping forces engaged in such activities as monitoring ceasefires, disarming local forces, patrolling demilitarized zones, inspecting the transport of weapons, and collecting and disposing of abandoned weapons. The use of weapons by SDF personnel under the revised law was similar in scope to that of the anti-terrorism law; the 2001 PKO law legalized the use of weapons by the SDF to protect 'those under their control', such as troops from other countries, refugees, government officials and personnel from the UN and other international organizations. The revision also lifted a ban on the application of Article 95 of the SDF law, which stipulated that weapons may be used to protect weapons stores.[35]

The amended PKO law was also compatible with new guidelines for UN peace operations, the Brahimi Report of August 2000, which advocated the following in terms of peacekeeping doctrine and strategy: 'Once deployed, United Nations peacekeepers must be able to carry out their mandates professionally and successfully and be capable of defending themselves, other mission components and mission mandates, with robust rules of engagement, against those who renege on their commitments to a peace accord or otherwise seek to undermine it by violence'.[36] Japan's commitment to the Brahimi Report required more robust legal framework for its participation in peacekeeping operations.

Lessons Learned from Participation – Several Practical Problems

Japanese peacekeepers began to play a more significant role. Following the establishment of the new peacekeeping law, Japan sent the SDF to Cambodia (UNTAC) in September 1992, Mozambique (ONUMOZ) in December 1992, Zaire and Tanzania as part of the Rwanda mission (UNAMIR) in 1994, and the SDF has been stationed in the Golan Heights (UNDOF) since January 1996, and in East Timor (UNTAET and UNMISET) since March 2002. Whereas no SDF personnel were appointed to headquarters in UNTAC, five SDF personnel were assigned as staff officers to the ONUMOZ headquarters in Mozambique. Japan sent the SDF to carry out humanitarian international relief operations

as part of UNAMIR. The SDF's deployment in Bona and Zaire was not requested by the UN Secretary-General, nor was a joint mission with other countries. It was an independent and voluntary mission by the SDF. Japan's role in UNDOF, which monitors the separation of Israel and Syria, has been limited to transportation services; but it is a classic peacekeeping operation in the most politically and militarily tense area in the world. The dispatch of 690 SDF personnel to East Timor in March 2002 was its largest contribution to a UN peacekeeping operation.

However, several practical problems have been identified as a result of the SDF's involvement in these missions, due mainly to operational constraints and 'inconveniences' caused mainly by the PKO law. In Cambodia, for example, when the Khmer Rouge refused to disarm and actually ignored the ceasefire during the SDF's deployment, the Five Principles were broken. The Japanese government did not consider withdrawing the SDF; the Five Principles were not applied consistently. The decision to stay was criticized by some political parties such as the Social Democratic Party. Meanwhile, it was reported that: 'According to UNTAC sources, after the first casualties in UNTAC, at least six Japanese police abandoned their post near Ampit and went to Thailand [claiming that the local situation was against the Five Principles]. By contrast when a police officer from Colombia was killed on April 30 [1993] in an ambush by suspected bandits, none of his 146 colleagues in the Colombian contingent abandoned [their] post, the official said'.[37]

Strong adherence to the Five Principles – in other words withdrawal from dangerous areas in emergencies – could be regarded as egoism rather than nationalism. Yasushi Akashi, head of UNTAC and then UNPROFOR, later remarked: 'If Japan had withdrawn from UNTAC when a Japanese staff member died, Japan would have been mocked. Japanese politicians and citizens would know that, for example, the French and British battalions implemented their missions despite the fact that the French had more than 50 UN fatalities and the British had nearly 30 in UNPROFOR'.[38]

Another illustration of the constraints of the Five Principles occurred in UNAMIR. The SDF was deployed not in Rwanda but in its neighbouring countries, Zaire and Tanzania, because deployment in Rwanda, where the ceasefire had not been agreed, would have been regarded as a breach of the Five Principles. Susumu Takai, of the Japanese National Institute for Defense Studies, indicates the limitation of the SDF in UNAMIR on the grounds that it was an individual and voluntary mission: 'An individual and voluntary mission without official appointment from the UN meant there was no security guarantee from the

UN. There would have been no compensation from the UN in the case of casualties and fatalities amongst the Japanese SDF staff. In retrospect, no casualties among the Japanese contingents in Zaire was simply fortunate'.[39]

It was also noted that the standard of 'minimum force' was different in Japan's PKO law from the Standard Operating Procedure (SOP) stipulated by the UN. The UN allowed peacekeeping forces to use weapons not only for their own protection but also for the removal of any impediment to the completion of the assigned task, whereas Japanese PKO law allowed only the former. Hence, serious questions remained over whether Japan was to act on its own initiative in the use of weapons.[40] The most critical issue for Japanese peacekeeping was that this law was applicable to emergency situations. For example, if other contingents were attacked by local factions, the Japanese SDF could not go to rescue them because of the limitation of minimum force. In fact, in UNAMIR, the SDF was criticized by other contributing states when it refused a request to look for missing staff from UN headquarters because of Japan's domestic law. In a similar context, in UNTAC, the Japanese civilian police was the only component that could not accept a newly-added mandate to arrest those who violated the election process.[41] In UNTAC, the operational situation inevitably required the SDF to extend its original mission, which occasionally included the 'frozen part' of the core assignments of peacekeeping. Close to election day in Cambodia, the Japanese engineer units became engaged in so-called peacekeeping missions such as patrolling, securing election monitoring and transporting ballot boxes. A Japanese researcher commented that: 'While I was researching UNTAC, I came across the scene many times where the SDF were patrolling and guarding and where they were saying "I am a member of the Japanese army". Their missions were camouflaged in the name of "information gathering." It was doubtful whether the tremendous amount of debates, pledges, and amendments to the new PKO Law in the Diet were meaningful'.[42]

The SDF's participation in UNTAET and UNMISET (the latter with over 400 troops) has not significantly differed from previous missions, involving activities such as construction and transportation. An engineering battalion has worked in the areas close to West Timor, namely Covalima, Bobonaro and Oecusse, and ten military engineers have been based at headquarters in the capital, Dili. The work of the SDF focuses on the maintenance of the main supply routes, including paving Dili airport, and fixing bridges and holes on main roads. The writer's field research in East Timor in September 2003 provided evidence that the Japanese engineering units have exerted a high degree of skill and

professionalism. Many SDF members have achieved fame and popularity with the Timorese public. However, in specific terms, the SDF in East Timor faces similar issues to those involved in participation in UNTAC and UNDOF. Although personnel work in border areas viewed as security risks, they are mostly unarmed and unprepared for combat. They rely on the New Zealand battalion in Covalima, the Portuguese in Bobonaro and Dili, and the Koreans in Oecusse. One NGO group has seriously criticized the Japanese SDF in East Timor:

> Although both the Japanese and East Timorese governments speak about the humanitarian assistance of Japan's SDF in East Timor, it is unclear how their contribution is humanitarian in any direct way. The SDF presence does nothing to provide local employment, and in fact seems to take jobs away from the East Timorese. It is also unclear why peacekeeping troops who are unprepared for combat are working in border areas where they may indeed face armed conflict.[43]

Some East Timorese activists also complained about the Japanese presence, claiming that a request for the Japanese government to apologize for the occupation during the Second World War should also include an apology for the 24 years that the Japanese government supported Indonesia's victimization of hundreds of thousands of East Timorese.[44] Despite the SDF's distinguished professional skills, East Timor's case indicates the difficulties faced in dispatching the SDF. There are problems of history, diplomacy and law.

In sum, there are several problems for Japanese peacekeepers under the current law. In UN peacekeeping operations, contributing states have to cooperate with each other under a common command and standard operating procedures, and Japan cannot be an exception. Japanese personnel feel humiliated when they encounter situations where the law restrains the scope of their activities. A peacekeeping operation is an ad hoc mission. Furthermore, peacekeeping is not a classic military task, but a task conducted mainly by military personnel. Therefore, adherence to UN peacekeeping conventions inevitably leads to several difficulties for the Japanese contingents under the PKO law. The changing security situation for the Japanese missions comes into conflict with the practical consequences of the application of domestic law. East Timor's case is particularly complicated. There was an impression that the priority for the Japanese government was to make use of the SDF overseas as a *fait accompli* for diplomatic purposes, rather than considering it as contributing to international peace.

Japan's Peacekeeping Policy after 11 September

National Interests

Contributing states to international peacekeeping normally have a self-interest, not simply a charitable purpose behind their decision to participate. Factors in addition to 'altruism' or 'internationalism' make contributing states more disposed towards peacekeeping deployments. In other words, as Alan James says: 'States will move if they judge that response to be in their national interests, nationally conceived'.[45] Therefore, it is important to consider the national interest in Japan's participation in UN peacekeeping operations in the twenty-first century.

One interest would be to develop a distinctive international policy as a new political power. Peacekeeping operations could provide Japan with the opportunity to own a new originality in its diplomacy. The reason why Canada and Ireland have been consistent international peacekeepers is based on this conception; they needed to establish an original diplomatic policy to counterbalance their 'overbearing neighbours', the United States and the UK, respectively. Unlike coalition enforcement, UN peacekeeping is conflict resolution which usually excludes the bigger powers. Japan has also been placed under 'the US umbrella' in both diplomatic and military respects. Japan's consistent commitment to UN peacekeeping would broaden its diplomatic options internationally. Japan could have a more influential voice at the UN, and maintain its 'UN-centred policy'. This is very important for Japan in the current period, when US unilateralism, which bypasses the UN, has been noticeable. While Japan inevitably complies with the decisions and policies developed by the United States to a considerable extent, participation in UN operations would ensure that Japan has a balance between its alliance with the United States and its UN-centred policy.

The political difficulties of North Korea, Afghanistan, India–Pakistan, China–Taiwan and Sri Lanka mean that Asia is potentially one of the most insecure areas in the world. Regional stability is in Japan's interests for economic and political reasons, and can be promoted through its commitment to peacekeeping operations. In fact, the major deployments to Cambodia, and East Timor involved 1,216 SDF personnel in UNTAC and 1,370 in UNTAET and UNMISET. Asia does not have a regional military alliance such as NATO. This means that regional peacekeeping such as the NATO-led Stabilization Forces in the former Yugoslavia cannot be established in Asia. Multinational forces led by European troops might be one option. However, in many cases, multinational forces are deployed only when local situations are too volatile

for peacekeeping. They are interim measures, and therefore they are normally replaced by UN peacekeepers after situations become more stable, as in East Timor in 1999.

The terrorist attacks of 2001 led the United States to a much more hawkish policy that marginalized peacekeeping operations. For example, National Security Adviser, Condoleeza Rice remarked in a *New York Times* interview that: 'The U.S. is the only power that can handle a showdown in the Gulf, mount the kind of force that is necessary to protect Saudi Arabia, and deter a crisis in the Taiwan Strait. And extended peacekeeping detracts from our readiness for these kinds of global missions'.[46] Therefore, the United States has been keen to promote Japan's peacekeeping policy as burden-sharing. In fact, in the Acquisition and Cross-Serving Agreement (ACSA) in 1995, President Bill Clinton promised Prime Minister Ryutaro Hashimoto to supply Japan with the information and transport aircraft for participation in peacekeeping operations. This implied a continuing commitment from the United States and expressed a desire to increase Japan's role and extend the security interest of Japan to a regional level.[47] Japan's physical commitment to Asian security will need to be high, and its participation in peacekeeping in Asia will enhance its political status as a regional power. This will also play a role in regional confidence-building and the impact of Japan's role as peacekeepers in Asia and the Pacific would be highly significant.

Furthermore, activation of the SDF for peacekeeping operations would be significant in terms of motivation. The benefits deriving from participation in peacekeeping include:

- experience of an operational nature, which cannot be gained in training in Japan;
- opportunities to develop and evaluate the leadership of SDF officers under operational conditions;
- reinforcement of home training, enabling personnel to practise and develop individual and team skills;
- opportunities to evaluate strengths and weakness vis-à-vis other nationalities and armies working alongside;
- positive effects on morale.

The benefits would be especially significant for the SDF, which has not experienced conventional warfare since its establishment. The experience which the SDF could obtain from peacekeeping services would also be beneficial in its domestic mission of national defence.

Suggestions for Japan's PKO Policy

Various measures can be taken to improve Japan's role as a contributor to UN peacekeeping. First, the multifunctional trend in peacekeeping would encourage Japan to increase the number of civilian personnel dispatched to UN peacekeeping. As Michael Williams put it: 'One of the most striking features of second-generation interventions (including peacekeeping operations) was their unique and previously unknown configuration of civil–military relations'.[48] From the Japanese point of view, the dispatch of civilian personnel has fewer legal restraints than that for the SDF. In December 2002, a 'Meeting for International Peace and Cooperation', chaired by Yasushi Akashi, advocated consistent involvement in conflict resolution, from preventive measures to peacebuilding.[49] This multilateral approach to conflict resolution has been strongly encouraged and put into practice since *An Agenda for Peace* in 1992.[50] Japan would be expected to train and recruit a number of civilian personnel in fields such as government, administration, medicine, education, infrastructure and civilian police. In reality, the quality of civilian police in international peacekeeping has not been assessed positively in terms of its function and effectiveness,[51] and therefore, the Japanese police force, which is of the highest international standard, can assist in this area. For example, Germany has dispatched 455 police personnel to UN peacekeeping operations.[52] In fact, there is increasing demand for civilian police in UN peacekeeping. In 1993, the proportion of civilian police as a percentage of all peacekeeping personnel, including military observers and troops, was merely 1.5 per cent. By 2003 it had increased to 14 per cent. Indeed, a shift in emphasis from military to non-military efforts in peacekeeping by the SDF was strongly recommended in a symposium organized by the MFA in February 2002.[53] In retrospect, despite the many options that Japan has as a possible contributor to UN peacekeeping, there has been little debate on how it can most effectively participate. The debates have concentrated excessively on internal constitutional issues.

Second, the revised PKO law enables the SDF to join infantry battalions for UN peacekeeping. This is not to say that Japan should shift its missions from logistical to military support completely. In fact, the UN's DPKO has faced difficulty in securing logistical support from member states. Logistics requires high levels of training and skills in communication, engineering and transportation, exactly what Japan has supplied. In peacekeeping roles which focus primarily on mediation and arbitration, the coercive nature of some states' forces may make host states feel insecure. On the other hand peacekeeping is a paramilitary role which requires appropriate military equipment, mission skill,

discipline of soldiers and high morale among troops. Japan can contribute such qualities. Currently, the Japanese engineer units in UNMISET have a high reputation for their standard of skills. In reality, the DPKO has not had difficulty in recruiting troop contributors to provide infantry battalions. This is because this mission is popular among developing countries, since they can supply infantry with quite basic military equipment and skills. For Japan, it would be necessary to respond to the current demands of the DPKO regardless of the revision of the PKO law.

Third, Japan should join a UN Stand-by Arrangement (UNSAS). UNSAS was one of the major pillars of the reform of UN peacekeeping operations advocated by several states such as Poland, Sweden, Malaysia, Canada, Holland and Austria in 1994. At present, as many as 73 member states have joined this system, which aims to provide the UN with a database of military units and equipment available from member states for UN peacekeeping operations (and an estimate of the time needed to respond to a UN request).[54] By joining this system, elements of the SDF selected for UNSAS would have rapid-reaction capabilities while training in special skills for UN peacekeeping operations.

Japan's New Role: Its Relations with Asian and Pacific States

It is well known that the so-called 'anti-militarism' attitudes towards Japan have been deep rooted among Asia-Pacific states, especially ASEAN states, South Korea and China. Analysis of their views by Hugo Dobson shows that ASEAN members strongly supported Japan's commitment to UNTAC. In March 1992, Cambodian Premier Hun Sen said that even if Japan dispatches its troops to the UNTAC no country would associate it with Japan's Greater East Asia Co-Prosperity Sphere concept which prevailed before and during the war. In May 1993, Malaysian Prime Minister Mohamad Mahathir stated that Japan could not remain removed from participation in peacekeeping operations and would have to do more than contribute financially. The SDF's presence in UNTAC also received credit from the Singaporean Prime Minister Goh Chok Tong, who said in May 1993: 'If it is the only nation to withdraw its troops, then in the future Japan will not be regarded as a nation that can make an international contribution'.[55] Thus, the enthusiasm of ASEAN states about Japan's peacekeeping in their own region was significant and persisted into the post-UNTAC period. In January 2002, Prime Minister Koizumi proposed conflict prevention in Mindanao, Aceh and East Timor and claimed that 'in cooperation with the countries of ASEAN, we intend to make an even more active contribution to ensure regional stability here in Southeast Asia'.[56] Meanwhile, China and South Korea were initially suspicious about Japan's peacekeeping role

in UNTAC. One Chinese official said: 'what we are worried about is not the present but the future. The fear is that the [Japanese PKO] law is a start in a bad direction'.[57] However, South Korea's policy towards Japan's peacekeeping became much more conciliatory after UNTAC. In July 1995 there were reports of Defence and Foreign Affairs officials of Japan and South Korea discussing the possibility of cooperation in peacekeeping operations, with joint training exercises and the mutual use of transport planes.[58]

Therefore, it has been suggested that a training centre specifically for peacekeeping operations in the Asian and Pacific region should be established such as those in operation in the Nordic states, Canada and Ireland. Japan should create a 'Joint Peacekeeping Training Centre for the Asia-Pacific Region', which should be located in Japan with the cost borne by the Japanese government. If this happens the Japanese public and politicians would be able to obtain better knowledge about peacekeeping operations by observing the Japanese SDF personnel in special training for peacekeeping tasks with other Asian soldiers. This programme would also act as an incentive for SDF personnel and assure neighbouring states that Japan's participation in peacekeeping operations is motivated neither by re-militarization objectives nor by neo-imperialism.[59]

It can be concluded that Japan's new role as a regional peacekeeper, initiated in UNTAC, has been positive. This can have a huge impact on regional security, already recognized by Japan's successful commitment to UNMISET with other Asian troops in East Timor.

Conclusion

Since the Gulf War in 1991 Japan's policy towards UN peace operations has been in a state of evolution. The PKO law was created after many stormy debates in order to meet the demand for conflict resolution in the post-Cold War period. However, practical missions involving Japanese contingents should encourage further review of the law that needs to result in practical contributions in the field, in parallel with the UN's ambition to reform peace operations. The current situation requires more coercive, emergent, multifunctional and flexible operations, to which the anti-terrorist law and the revised PKO law can contribute positively.

In retrospect, neither the government nor its citizens discussed seriously enough the national interests of Japan's commitment to UN peacekeeping operations. Debates merely focused on the constitutionality of peacekeeping and its relevance to collective defence. Japan's interests

in UN operations would be to develop a distinctive international policy with a stronger voice in the UN, to take an initiative in Asia as a regional leader and to activate the SDF. The maintenance of its UN-centred policy by participation in peacekeeping operations is recommended for Japan to balance the US–Japan relationship. Japan's peacekeeping policy should reflect these interests and assess how it can contribute more effectively to peacekeeping, through civilian involvement and expertise in logistics. Furthermore, burden-sharing with the United States and the decreased sense of anti-militarism towards Japan by its Asian neighbours encourage Japan to play a more significant security role in the region as peacekeepers. Japan should continue recognizing that it has an obligation to contribute to peacekeeping operations – in line with its own interests.

NOTES

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37. *The Washington Post*, 7 May 1993.
38. Interview in the magazine, *SAPIO* (Tokyo), 28 Feb. 1996, p.96.
39. Interview with Professor Susumu Takai, National Institute for Defense Studies, Tokyo, 20 Sept. 1997. Takao Takahara agrees: 'There was great skepticism about the relevance and effectiveness of sending the SDF to a refugee camp for just three months. There were also anxieties over whether SDF might be put in a situation where the single machine-gun which they brought with them had to be used. Fortunately, no serious incident occurred'. 'Japan' in Findlay (see n.11 above), p.62.
40. K. Chuma, 'The Debate over Japan's Participation in Peace-keeping Operations', *Japan Review of International Affairs*, autumn 1992, p.244.
41. T. Jinyo, *Shin Kokuren Ron* [The New Theory of the United Nations], Osaka: Osaka University Press, 1995, p.243.
42. T. Maeda, *PKO To JIEITAI* [PKOs and the SDF], Tokyo: Iwanami, 1996, p.53.
43. East Timor Institute for Reconstruction Monitoring and Analysis, 'Japanese Peacekeepers in East Timor', *The La'o Hamutuk Bulletin* (Dili), Vol.3, No.6, Aug. 2002, p.6.
44. Ibid., pp.5–6.
45. Alan James, 'Comparative Aspects of Peacekeeping: The Dispatching End – The Receiving End', paper for National Center for Middle East Studies, Cairo, and the Jeffee Center for Strategic Studies, Tel Aviv University, 1995, p.1.
46. Cited in Ishizuka, 'Peacekeeping Operations After 9/11', *Newsletter of the British International Studies Association*, No.74, July 2002, p.13.
47. Dobson (see n.14 above), pp.141–2.
48. Michael Williams, Civil–Military Relations and Peacekeeping, Adelphi Paper No.321, London: International Institute for Strategic Studies, Aug. 1998, p.13.
49. A. Yamanaka, 'Why Japan Needs to Contribute to International Peace Now', *Gunshuku Mondai Shiryou* [Journal for Disarmament Issues], March 2003, p.35.
50. UN Doc., A/47/277-S/24111, 17 June 1992.
51. See, for example, Alice Hills, 'International Peace Support Operations and CIVPOL: Should there be a Permanent Global Gendarmerie?', *International Peacekeeping*, Vol.5, No.3, Autumn 1998, pp.26–41.
52. H. Nagata, 'Japan's PKO Policy', *Kokusai Anzen Hoshou* [Journal for International Peace and Security], Vol.29, No.1, 1999, p.79.
53. Professor Hisashi Owada, Director of the Japan Institute of International Affairs (JIIA), keynote address at the international symposium, 'From Peacekeeping to Peacebuilding: Japan's Role', JIIA and the Ministry of Foreign Affairs, Tokyo, 5 Feb. 2002.

54. S. Kozai, 'Japan and PKO; Japanese Experiences and its Policy', *Journal for International Studies*, Osaka Gakuin University, Vol.12, No.2, Dec. 2001, p.107.
55. Dobson (see n.14 above), pp.109–20.
56. Ibid., p.145.
57. M. Leitenberg, *The Participation of Japanese Military Forces in UN Peacekeeping Operations*, Maryland/Tsukuba Papers on US–Japan Relations, June 1996, p.26.
58. Dobson (see n.14 above), p.145.
59. See comments by Yasushi Akashi, in T. Jinyo, *Kokusai Heiwa Kyouryoku Nyumon* [Introduction to International Cooperation], Tokyo: Yuhikaku, 1995, p.263; and the Director of Japanese Studies at the Korean Institute for Defense Analysis, in Leitenberg (n.57 above), p.40.

CHAPTER FOUR

OIL DIPLOMACY AND THE US-JAPAN ALLIANCE: JAPANESE AUTONOMY IN JAPAN-IRAN RELATIONS

This chapter develops the argument about limited autonomy through the analysis of post-Second World War Japan-Iran relations. The previous chapter discussed the external foundations of Japanese autonomy, and how this has caused it to continue to define autonomy based on exogenous values. This makes Japanese autonomy particularly sensitive to external dynamics, but also makes its scope much more limited than conventionally expected of a state with Japan's economic status and capabilities. However, this study takes a constructivist approach and argues that Japan's autonomous policies nonetheless remain committed to the US-Japan alliance and within US hegemony in general because of Japan's post-1945 identity in international relations as a subordinate partner to the United States under US hegemony. To support this argument, Japan's autonomous policies towards Iran during the oil crises of the 1970s, the Iranian Revolution, the 11 September 2001 and subsequent the "War on Terror", and how it overcame US pressure with regards to its relationship with Iran are investigated in detail. Secondly, it assesses how Japan's attempts to achieve autonomy in its policy towards Iran has affected its relationship with the United States and what these outcomes signify for Japan's position under US hegemony.

Iran has an annual influx of foreign capital of approximately US$20 billion per annum through oil sales,[1] high levels of literacy and a rapidly increasing population of 60 million.[2] In addition to this, its recent move to increase its nuclear capabilities makes Iran one of the most important countries in the Middle East and, as a consequence, the development and stability of Iran is said to hold the key to peace and stability in the region itself.[3] Japan, on the other hand, is an economic and international aid power but a resource poor state and depends on the Middle East for 90 percent of its oil, with Iran being Japan's third largest supplier.[4] Yet, this seemingly complementary relationship is complicated by the US relationship with Iran and, as a consequence, Japan-Iran relations

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1 Simeon Kerr, "Iran's New-Look Economy ready for Russian Price War", *Dow Jones International News*, 20 November 2001.

2 Ukeru Magozaki, "Bunmei kan no Taiwa wo susumeru Iran" ("Iran advances conversations between Civilisations"), *Chūō Kōron*, vol. 115, no. 6, pp. 152–63, May 2000, p. 161.

3 Magozaki, "Bunmei kan no Taiwa wo susumeru Iran", p. 161.

have often tested the boundaries of Japanese autonomy under US hegemony throughout the post-1945 period.

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Iran	**267.0**	**137.2**	**230.3**	**395.8**	**257.8**	**258.9**	**220.6**	**231.0**	**188.8**	**293.3**	**387.6**	**380.4**
Iraq	326.9	70.7	70.0	9.3	14.2	70.5	163.0	104.5	171.6	217.2	144.8	-
Kuwait	232.7	246.3	83.0	149.9	177.0	144.1	104.2	255.8	210.5	266.7	212.2	59.1
Qatar	136.0	136.4	131.4	128.6	220.0	199.8	160.2	113.0	175.7	213.4	241.9	250.5
Saudi Arabia	1379.6	1356.2	1309.6	1035.5	1062.6	594.4	444.2	619.9	513.9	519.8	703.5	904.8
UAE	583.0	537.4	495.7	547.3	540.5	667.5	696.6	570.6	641.6	730.6	815.0	1057.0
	1992	**1993**	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**
Iran	**354.8**	**367.2**	**441.8**	**380.3**	**429.6**	**465.2**	**460.3**	**496.6**	**490.5**	**536.6**	**530.5**	**652.2**
Iraq	-	-	-	-	3.3	15.1	17.2	98.3	72.0	5.4	12.6	10.7
Kuwait	236.1	283.0	293.8	345.1	347.3	401.5	391.9	346.4	395.7	411.0	522.8	295.5
Qatar	257.9	277.6	290.6	295.2	293.4	326.8	349.2	391.0	390.3	427.2	444.8	371.7
Saudi Arabia	990.0	1009.2	964.9	986.4	981.5	1010.5	907.5	792.5	908.1	353.2	910.1	957.2
UAE	1041.2	1083.5	1212.9	1215.0	1195.1	1213.4	1205.0	1085.0	1065.8	1066.8	1182.8	1224.0

*Figures indicate thousand barrels per day

Table 4.1 The Middle Eastern regions' Crude Oil Exports to Japan, 1980-2003, modified from "OPEC Member States' Crude Oil Exports by Destination, *OPEC Website*, http://www.opec.org/library/annual%20statistical%20bulletin/interactive/2004/filez/xl/t51.htm, accessed 5 August 2005.

The Japan-Iran relationship is one area where Japan has consistently adopted a position that is independent and autonomous from the United States. This is evident in expressions such as *dokuritsu* (独立, meaning independence), *jishu* (自主, or autonomy) or *dokuji gaikō* (独自外交, meaning "unique" or independent diplomacy) to describe Japan's relations with Iran and the Middle East.[5] In addition, as former president of the Japan-Arab Association Takeyo Nakatani has argued:

> Japan should hold the US-Japan alliance as the foundation for security issues, particularly in East Asia and do its utmost to increase its efforts in defence issues as part of its responsibility as a member of the west. However, in regards to the Middle East, Japan should clearly distinguish itself from the US position, and conduct autonomous foreign policy.[6]

As a result, Japan's history of engagement with Iran has presented difficulties for the United States, and the United States has sometimes viewed Japanese actions as conflicting with its own interests. Despite this, Japan continues to choose the path of

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4 Eric Watkins, "Japan gains funding for Azadegan oil field development", *Oil and Gas Journal*, vol. 102, no. 15, 19 April 2004, pp. 26–29, p. 26.

5 For some examples see "Sekiyu Jishu Kaihatsu e no Nagai Michi", (The Long road to independent oil production), *Asahi Shimbun*, Morning edition, 4 April 2004, and Kazuyuki Ōno, "Tachiba ga wakareta Nichibei: Ima semarareru 'Dokuji gaikō'" (Positions divided between US and Japan: Calls for 'independent diplomacy'), *Shūkan Tōyō Keizai*, no. 5886, pp. 94–95.

6 Aoe Tanami, "Nihon no tai Arabu Kankeishi wo tou" (Questioning the History of Japan-Arab Relations), *Mirai*, vol. 441, June 2002, pp. 6–11, p. 10.

engagement with Iran to this day. Through this example of post-1945 Japanese foreign policy, this chapter evaluates the character and significance of Japanese autonomy. In particular, it seeks to answer three questions: first, why Japan continually chose to engage with Iran, even at the risk of conflicting with US policy; how the United States interprets autonomous Japanese policy; and how the Japanese government overcomes US pressures to maintain their autonomous position on relations with Iran. The motivations behind Japanese autonomous policy and at what point it accedes to US pressure and limits its policies are examined in order to support the main argument that autonomy, as practised by Japan, is not balancing against the United States and is narrower under US hegemony.

To answer these questions, the first section addresses the historical concerns of the United States with regard to Iran during the post-Second World War period so as to highlight the issues that influence its involvement in the region. The second section then outlines the patterns of Japan's relations with Iran post-1945 to demonstrate how Japan's actions have often departed from US positions on the interconnected issues of oil, terrorism and the Israeli-Palestine issue. The discussion in this section focuses on four main events during the post Second World War period: Japan's establishment of relations with Iran in the 1950s; Japan's position in the first oil crisis of the early 1970s; the Islamic Revolution of 1979 and the second oil crisis; and finally the Iran-Iraq War of the 1980s. The final section examines US concerns towards Iran in the post-Cold War period, particularly in the context of the Bush doctrine and Japan's more recent relations with Iran within US interests in the Middle East.

Post-Second World War Japan-Iran Relations—US and Japanese Interests and Concerns in Iran: 1950–1970

In order to investigate why Japan has continually chosen a path of engagement with Iran that seemingly conflicts with US interests, it is necessary to clarify US interests in Iran and the region. As discussed in Chapter Two, the United States began to establish its hegemony after the end of the Second World War through its multi-faceted international leadership against communism in the context of the Cold War. In contrast to Iran's current relations with the United States, in this emerging post-1945 international framework Iran was viewed as an important US trading partner and strategic ally for two broad reasons. Firstly, Iran was vital for the abundant supply of oil in the Persian Gulf

region. Control of oil in this region was a major concern for both Democrat and Republican administrations and efforts to keep out other competitors, in particular the Soviet Union, was a priority.[7] Secondly, Iran's proximity to the Soviet Union made it strategically important in the Cold War context. Iran shared a border with the Soviet Union, and also with Afghanistan, and the United States feared that the Soviet Union would expand its sphere of influence into Iran. This fear was intensified when the Soviet Union resisted withdrawing from Iranian Azerbaijan and obstructed the entry of Iranian government troops in December 1945,[8] and again when the Soviet Union invaded Afghanistan in 1979.[9] Therefore, stability and political influence over Iran was perceived as being crucial to the US vision of containment of communism in the Middle East.

As an ally of the United States, Japan also shared these concerns with regard to Iran; but in particular, the securing of stable oil supplies was essential for resource-poor Japan. Accordingly, the prompt establishment of firm relations with Iran after the end of the Second World War was a priority for Japan. The Idemitsu Corporation was a particularly significant actor in achieving this and establishing the early stage of Japan-Iran relations.[10] Idemitsu's early establishment of its relationship with Iran coincided with the emerging nationalism movement in Africa and the Middle East and the fact that Japan was not a colonial power in these regions. The Iranian government approached Idemitsu in March 1952 in its search for an oil company from a country that had no colonial history in the Middle East.[11] At the time Iran was emerging as a post-colonial nation and its elected Prime Minister Mohammed Mossadiq had declared the nationalisation of its oil production in 1951, shutting out former powerful oil interests such as Anglo-Iranian Petrol.[12] However, Iran still required a company that would ship

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7 Eric Hooglund, "The United States and Iran, 1981–9" in Anoushiravan Ehteshami and Manshour Varasteh (eds.), *Iran and the International Community*, New York, Routledge, 1991, pp. 31–45, p. 32.

8 See Louise L'Estrange Fawcett, *Iran and the Cold War: The Azerbaijan Crisis of 1946*, Cambridge, Cambridge University Press, 1992.

9 Naoki Maruyama, "Chūto to Nihon Gaikō" (The Middle East and Japanese Diplomacy) , *Kokusai Mondai*, no. 444, March 1997, pp. 49–65, p. 51.

10 Maruyama, "Chūto to Nihon Gaikō", p. 51.

11 Maruyama, "Chūto to Nihon Gaikō", p. 51.

12 Junpei Katō, "Nishi Ajia to Arabu Shokoku ni taisuru Nihon no gaikō" (Japanese Diplomacy towards West Asia and the Arab states), *Tokiwa Kokusai Kiyō*, vol. 7, March 2003, pp. 129–146, p. 131; and Maruyama, "Chūto to Nihon Gaikō", p. 51.

its oil.[13] While Idemitsu was initially hesitant about taking on this role (for fear of conflict with Britain), it accepted the responsibility when US Secretary of State Dean Acheson expressed his support for Iranian nationalisation of its oil production.[14] In March 1953, the Japanese tanker *Nisshōmaru* set out to Aberdan[15] and, in due course, the Japanese government formally backed Idemitsu's oil development activities in the Middle East. This oil connection to the region also led to an influx of Japanese electrical and steel goods into Iran and Saudi Arabia in particular.[16] As a result of the nationalist movements in Iran and the Middle East, Idemitsu, and many other Japanese companies trading with Iran, suddenly found itself with advantages over countries such as Britain and France that had traditionally influenced the region.[17] Japan further strengthened its ties with Iran and the Middle East through its participation in the 1955 Bandung Conference—held for newly independent states of Asia and Africa.[18] Nisshōmaru, Idemitsu and Iran's relations with Japan were therefore significantly tied to new hopes of a stronger Iran and Middle East that would not rely on the traditional Western great powers of Europe.

In this early period, US and Japanese interests in Iran were largely aligned and, as a consequence, Japanese foreign policy was not restricted by US interests. As the endorsement from Acheson indicates, Japan's relations with Iran were less controversial in the context of its alliance with the United States, primarily because tensions between Iran and the United States did not yet exist in the early post-Second World War period. Indeed, as Iran was a neighbour of the Soviet Union, it was strategically important to the United States. It enjoyed a close and co-operative relationship with Washington and was permitted to purchase advanced weapons worth US$10 billion from the United States.[19] Moreover, as Iran was one of the first countries in the region to be drawn into the Cold War, it received extensive economic and military aid from the United States.[20] Furthermore, the Eisenhower administration supported and organised a coup that ousted

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13 Idemitsu Kōsan Corporation Head Office, *Abadan ni Ike—Idemitsu to Iran Sekiyu Gaikō (To Aberdan—Idemitsu and Oil Diplomacy with Iran)*, Tokyo, Idemitsu Kōsan Corporation, 1980, p. 2; Tanami, "Nihon no tai Arabu Kankeishi wo tou", p. 10.

14 Idemitsu Kōsan Corporation Head Office, *Abadan ni Ike*, p. 3; Tanami, "Nihon no tai Arabu Kankeishi wo tou", p. 10.

15 Tanami, "Nihon no tai Arabu Kankeishi wo tou", p. 10.

16 Maruyama, "Chūto to Nihon Gaikō", p. 51.

17 Maruyama, "Chūto to Nihon Gaikō",p. 51.

18 Katō, "Nishi Ajia to Arabu Shokoku", p. 132.

19 Robert L. Paarlberg (ed.), *Diplomatic Dispute: U.S. Conflict with Iran, Japan and Mexico*, Boston, Centre for International Affairs Harvard University, 1978, pp. 17–20.

20 William L. Cleveland, *A History of the Modern Middle East*, Boulder, Westview Press, 1994, p. 259.

the Mossadiq government and ushered Shah Reza Pahlavi into power in 1953.[21] As a result, for the next 25 years, Iran under the Shah maintained close relations with the United States.[22] During this period, Japan also did not yet have to commit itself politically to any side in the Israeli-Palestine conflict, which served as an additional benefit to its smooth relationship with both the United States and Iran.[23] Because US and Japanese interests coincided during this period, restrictions on Japan's autonomy from the United States was not yet evident in its Iran policy.

The First Oil Crisis

It would be no exaggeration to say that Japan's experiences during the first oil crisis of the early 1970s dramatically influenced its decision to take an autonomous position on relations with Iran, and continues to shape Japan's relationship with Iran today. The first oil crisis arose when Arab countries declared that they would not supply oil to those countries that supported Israel, which had occupied Arab land in the October War (Yom Kippur War) of 1973.[24] Japan decided to prioritise securing oil supplies over policy co-ordination with the United States on Iran and took a different stance in regards to Israel. Tensions between Japan's relations with the Middle East and US foreign policy thus became increasingly apparent during and after this period. This section discusses this important turning point in Japan's foreign policy towards Iran. While Iran did not participate in the oil embargo of the Arab states, the crisis is also important as the Israeli-Palestine conflict would later become the crucial background from which conflicts between the United States and Iran and also between Japanese and US policy on Iran would emerge.

There were two major reasons for Japan's decision to side with the oil-producing states rather than the US line in support of Israel. The first was the realisation that Japan could no longer rely solely on its position as a non-colonial state in the region, and that its relations with the region were in fact viewed in parallel to Japan's alliance with the United States. This became clear when Saudi Arabia declared during the 1973 oil crisis that France and Spain were "friendly nations" who had spoken out against Israeli action

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21 Cleveland, *A History of the Modern Middle East*, pp. 272–73.
22 Cleveland, *A History of the Modern Middle East*, pp. 272–73.
23 Maruyama, "Chūto to Nihon Gaikō", p. 52.
24 Cleveland, *A History of the Modern Middle East*, p. 337.

and were therefore exempt from the oil restrictions.[25] Japan had close commercial ties to Saudi Arabia, but was not mentioned as being part of the "friendly nations".[26] Despite the Japanese government's efforts to appease the situation by condemning Israeli action through statements saying that Japan was opposed to seizing territory by force and that it fully supported UN Resolution 242,[27] this was not enough to satisfy the Arab countries.[28] The issue was resolved by sending a non-government delegation to the Middle East, including figures such as former ambassador to Saudi Arabia and advisor to the Japanese oil company Arabia Oil Hideharu Tamura, and Arab specialist Keiichi Morimoto.[29] It was only after these non-government negotiations that Susumu Nikaidō, the then Chief Cabinet Secretary, gave a statement on 22 November 1973 that clearly opposed Israel's occupation of territory acquired in the 1967 Six Day War and demanded Israel's withdrawal from these territories. Japan also emphasised the Palestinians' right to sovereignty based on the United Nations Charter[30] and went as far as to say that it would "hereafter be forced to re-evaluate its position on Israel based on changes in the situation".[31] Only then was the oil block lifted for Japan.

This episode indicates that the trust, which Japan had boasted it enjoyed in the region, was not as strong as it had thought, and Japan realised that it could no longer take its good relations with the Middle East for granted. It also demonstrated the Japanese government's complacency, and highlighted its political naivety towards the Middle East. On top of this, the first oil crisis raised awareness of a severe lack of major diplomatic ties at the government level in this important region despite oil being crucial to Japanese interests and the façade of good relations. The Japanese government was

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25 Makoto Watanabe, "Nihon to Chūkintō, Aratana Kankei wo Kizuku tameni" (Japan and the Middle East: Realising a New Relationship), *Gaikō Forum*, vol. 3, no. 3, March 1990, pp. 14–36, p. 25.

26 Watanabe, "Nihon to Chūkintō", pp. 25–26.

27 United Nations Security Council Resolution 242 (S/RES/242) was adopted unanimously by the UN Security Council on 22 November 1967 in the aftermath of the Six Day War. It calls for the "withdrawal of Israeli armed forces from territories occupied in the...conflict" and the "[t]ermination of all claims or states of belligerency." It also calls for Israel, Egypt, Syria and Jordan to recognise each other and calls for the establishment of defensible boundaries for these states. It is one of the most commonly referenced UN resolutions in Middle Eastern politics. See *Security Council Resolutions, United Nations Website*, http://daccessdds.un.org/doc/RESOLUTION/GEN/NR0/240/94/IMG/NR024094.pdf, accessed 3 May 2006.

28 Yoshitaka Ishikawa, *Oiru Gaikō Nikki (Oil Diplomacy Diaries)*, Tokyo, Asahi Shimbun Sha, 1983, p. 6.

29 Kunio Katakura and Motoko Katakura, *Japan and the Middle East*, Tokyo, The Middle East Institute of Japan, 1991, p. 84.

30 Maruyama, "Chūto to Nihon Gaikō", p. 55.

31 Masayoshi Ōhira Memoir Publication Committee, *Ōhira Masayoshi Kaisōroku—Denki hen (Masayoshi Ōhira Memoirs—A Biography)*, Tokyo, Ohira Masayoshi Memoir Publication Committee, 1982, pp. 349–50.

forced to realise that it was dependent on influential business people who had strong ties to the Middle East, rather than government and MOFA personnel, communicating the Japanese position on the situation to the oil exporting states and negotiating Japan out of the oil crisis. Nikaidō's statement was therefore a meaningful indicator of Japan's departure towards an independent foreign policy and a manifestation of an important change in Japan's stance towards the Arab-Israeli conflict, moving away from the US position.[32]

The second reason for Japan siding with the oil-producing states was that the United States could no longer be relied upon for energy security. Before the first oil crisis, the Nixon administration was already advocating higher oil prices in 1972, so that it could gain economically over competition from Western Europe and Japan,[33] which was also confirmed by US Secretary of State Henry Kissinger, who stated "The rise in the price of energy would affect primarily Europe and Japan and probably improve America's competitive position."[34] To further this, Kissinger made a statement during his visit to Japan on 14 November 1973 that the United States could not guarantee oil supplies during the crisis.[35] In addition, after the oil embargo, the United States expressed its opposition when US allies such as Japan and Europe tried to negotiate bilateral oil-purchasing deals without going through major international companies.[36] The first oil crisis, and the events leading to it, therefore forced Japan into realising that economics could no longer be conveniently separated from politics, and that the United States would not always stand with Japan on the issue of oil. This heightened Japan's sense of urgency to take a political stance on the Israeli-Palestine conflict. The United States supported Israel, as it had done from its inception in 1948, as a stronghold of democracy and US strategic interests in the Middle East, but also with regard to its own domestic Jewish-American lobby.[37]

There were factions within Japan, including the one represented by the then Foreign Minister Masayoshi Ōhira, which argued that Japan should stay aligned with the

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32 Akifumi Ikeda, "Japan's Relations with Israel" in Kaoru Sugihara and JA Allan (eds.), *Japan in the Contemporary Middle East*, New York: Routledge, 1993, p. 84.

33 V.H. Oppenheim, "Why Oil Prices Go Up—The Past: We Pushed them", *Foreign Policy*, no. 25, Winter 1976–77, pp. 24–57, pp. 30–33.

34 Henry Kissinger, *Years of Upheaval*, Boston, Little Brown, 1982, p. 863.

35 Maruyama, "Chūto to Nihon Gaikō", p. 55.

36 Horst Mederhausen, *Coping with the Oil Crisis*, Baltimore, John Hopkins University Press, 1976, pp. 60–61.

37 Cleveland, *A History of the Modern Middle East*, p. 337.

US position on the situation in the Middle East.[38] However, in this case, as domestic panic increased, people with a pro-Arab stance gained support in the Japanese government, including the then Minister of Transport Yasuhiro Nakasone.[39] As a consequence, the first oil crisis was the onset of a number of incidents where Japan clearly differentiated itself from US policy in the Middle East.

Japan's deviance from the United States during the first oil crisis should also be seen in the context of the Nixon "shocks" of the early 1970s. Japan's relations with the United States were increasingly strained when President Richard Nixon announced that the administration was taking pressure off the US dollar by suspending the dollar's convertibility into gold in August 1971 without consulting Japan,[40] and when he made a visit to China in February 1972, again without previous notification to the Japanese government.[41] Kissinger's statement fuelled the sense that Japan could no longer rely solely on the US economically, politically or for stable resource supplies and, as a result, Japan's relations with the United States continued to sour when it persisted in taking a different Middle East policy throughout the remainder of the 1970s. In the wake of the 1973 oil crisis, Japan maintained its position of adopting different policies to the United States and sided with the Europeans in the Washington Energy Conference in February 1974.[42] The US response to the oil crisis had placed a strain on its alliances internationally and a divide between Europe and the United States developed over the international energy situation. The United States called for unity amongst the Western bloc, whereas European allies such as France advocated dialogue with the Middle East.[43] Japan also actively supported the Palestinian cause and agreed to the establishment of a Tokyo office for the Palestinian Liberation Organisation in 1977.[44]

In this way, the first oil crisis highlighted the increasing difficulty Japan faced in separating its relations with the Middle East from its relations with the United States and the Israeli-Palestine conflict, and presents the emerging context in which its restricted autonomous foreign policy developed. However, in this particular situation, it became clear that Japan could not count solely on the United States on the issue of oil.

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38 Masayoshi Ōhira Memoir Publication Committee, *Ōhira Masayoshi Kaisōroku*, pp. 349–50.

39 Maruyama, "Chūto to Nihon Gaikō", p. 55.

40 Barnhart, "From Hershey Bars to Motor Cars", p. 217.

41 Tanaka, *Anzen Hoshō*, pp. 231–38.

42 "Contributions to a Harmonious Development of the World Economy", *Diplomatic Bluebook of 1974*, http://www.mofa.go.jp/policy/other/bluebook/1974/1974-3-2.htm, accessed 22 August 2006.

43 "Contributions to a Harmonious Development of the World Economy", *Diplomatic Bluebook of 1974*.

44 Maruyama, "Chūto to Nihon Gaikō", p. 57.

Kissinger's statement and the uncooperative stance of the United States towards providing oil supplies in the face of the crisis was also a "tacit signal" that the United States could not strongly object to Japan's positioning with the Arab oil-producing states. As a consequence, Japan adopted an autonomous policy to secure resources by continuing its relations with anti-Israeli states and Iran during this period.

The pressures on Japan to take autonomous policies in this instance came from the dissatisfaction by Arab states towards Japan's connections with the United States rather than US frustrations over Japanese policies. However, Japan's pro-Arab position would later become the backdrop to its balancing engagement with Iran with US interests. The Israeli-Palestinian conflict and Iran's position on it after the Iranian Revolution complicated Japan's relations with the United States, which later influenced Japan to initially prioritise the path of engagement with the Middle East and Iran, and then to modify its policies under pressure from the United States.

The Iranian Revolution

While Japan was able to maintain autonomous foreign policy during the 1973 oil crisis, its relationship with the United States posed significant restrictions during the Iranian Revolution of 1979. Japanese autonomy was compromised because of the hard-line stance taken by the United States in response to Iran invoking anti-American nationalism as the ground from which to establish an Islamic Republic. Despite the US position, Japan wanted to maintain dialogue and economic relations with Iran because of its need to secure oil. Therefore, conflicts between the Japanese and US positions became more clearly demarcated and progressively more difficult to reconcile after the Iranian Revolution.

The United States pressured Japan to co-operate with its objectives in dealing with Iran as tensions between Iran and the United States heightened after US embassy employees were taken hostage in Tehran in 1980, and this pressure did eventually compromise Japanese autonomy.[45]US demands to condemn the embassy hostage crisis, coupled with Cold War pressures, led Japan to eventually release a statement criticising Iran's actions during this period, and this ultimately resulted in the cancellations of

[45] Noriaki Sasaki, "Bei, Iran Funsō to Sekiyu Kiki [Ge]" ("The US Iran dispute and the Oil Crisis, part II"), *Zenei*, no. 449, April 1980, pp. 177–95.

Iranian oil supplies to Japan.[46] However, Japan did try its utmost to negotiate a path to maintain its long-term interests with Iran before finally acceding to US pressures. The rest of this section analyses the ways in which Japan attempted to maintain an autonomous position by balancing its relationship between these two opposing sides and how the United States interpreted the Japanese position.

The Seeds of Discontent

The seeds of discontent in Iran that led to the Iranian Revolution were in part sown by the United States through its involvement in establishing the Pahlavi government. Because of the strategic importance of Iran to the United States, the latter had supported the ousting of the Mossadiq government and had helped to create the pro-US Pahlavi government in 1953. Under Pahlavi, the Iranian government aggressively modernised Iran's economy, which promoted rapid industrialisation, but also encouraged unequal land distribution and irrigation rights to traditional landowners.[47] This left much of the agricultural population unable to cultivate land and caused the demise of major industries such as rice production. Economically, this meant that Iran was heavily dependent on imported food.[48] Moreover, socially, it caused mass migration into the cities and widespread poverty.[49] This situation consequently sparked the Iranian Revolution in August 1978. It peaked in January 1979, with the return of Ayatollah Ruhollah Khomeini to Iran from exile in Paris,[50] and ended in February 1979.

The US Position

The United States found the Iranian Revolution problematic for three reasons. Firstly, the revolution posed a potentially dangerous situation to the United States because it was not simply a culmination of domestic frustration with the Pahlavi government but also a demonstration against the foreign power that helped bring the Shah to power. Iran challenged Western states as an assertion of radical defiance against Western hegemony

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46 Sasaki, "Bei, Iran Funsō [Ge]", p. 180.

47 Kamran Mofid, "The Political Economy of Iran's Foreign Trade since the Revolution: Ideals and Practice" in Anoushiravan Ehteshami and Manshour Varasteh (eds.), *Iran and the International Community*, New York, Routledge, 1991, pp. 143–61, p. 143.

48 Mofid, "The Political Economy of Iran's Foreign Trade since the Revolution", p. 143.

49 Akihiro Kasai, "Hakyoku ni itaruka Sekiyu Dankō" (Will the Oil Embargo end in Catastrophe), *Chūō Kōron*, vol. 95, no. 1, January 1980, pp. 78–86, p, 81.

50 Cleveland, *A History of the Modern Middle East*, p. 402–05.

and sought to establish a universal Islamic order.[51] Secondly, the revolution projected Iran as an ideological power that challenged Arab states and their leadership of Shiite Muslims of the region,[52] which could cause instability in an already complex region. Thirdly, unlike the situation at the time of the first oil crisis in 1973, the Islamic Republic of Iran's position on Israel also put it in greater conflict with the United States. The conservative clerics of Iran objected to a two-state solution to the Israeli-Palestine conflict, arguing that the opposition against the existence of a Jewish state on "Muslim territory" is sacred to their worldview and an obligation of Muslims.[53] Iran's offensive stance on Israel consequently caused the United States and Israel to view its connections to pro-Palestinian terrorist groups and nuclear development through a prism of caution and threat. [54] Accordingly, the instability that Iran could cause regionally and internationally through radical Islamic terrorists was a major concern for US policy in the Middle East.

Overt hostility targeted at the United States began to emerge when student supporters of Khomeini occupied the US Embassy in Tehran and held employees hostage in November 1979 for over a year.[55] They demanded that the United States deliver Reza Pahlavi (who fled to the United States) to the newly established Islamic Republic of Iran. President Jimmy Carter, who placed human rights as the centre of his diplomacy, refused this demand and, as a result, the United States stopped importing Iranian oil, and also halted US exports into Iran on 12 November 1979.[56] These economic sanctions extended to the freezing of all US investments in Iran and the halt in exchange of Iranian oil for the US dollar.[57] The deterioration of relations between the two states was internationally significant, as it raised oil prices and restricted oil distribution around the world, triggering the second oil crisis.[58] While the Carter administration softened its position and postponed some sanctions, it greatly increased

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51 Cleveland, *A History of the Modern Middle East*, p. 411.

52 Cleveland, *A History of the Modern Middle East*, p. 411.

53 Daniel Brumberg, "End of a Brief Affair? The United States and Iran", *Carnegie Endowment for International Peace Policy Brief*, 14 May 2002, pp. 1–7, p. 4.

54 Sadao Sakai, "Seiki Matsu no Perusha wan to Nihon Gaikō" (The Persian Gulf at the end of the Century and Japanese Diplomacy), *Chūō Kōron*, vol. 110, no. 13, October 1995, pp. 94–99, p. 98.

55 Ali M. Ansari, "Continuous Regime Change from Within", *The Washington Quarterly*, vol. 26, no. 4, Autumn 2003, pp. 53–67, p. 57.

56 Kasai, "Hakyoku ni itaruka Sekiyu Dankō", p. 78.

57 Kasai, "Hakyoku ni itaruka Sekiyu Dankō", p. 78.

58 Hiroshi Iwanaga, "Bei-Iran Funsō to Nihon no Tachiba" (The US-Iran conflict and Japan's position), *Sekai Shūho*, vol. 60, no. 5, 4 December 1979, pp. 4–5, p. 4; Kasai, "Hakyoku ni itaruka Sekiyu Dankō", p. 79.

its military presence in the Persian Gulf.[59] The situation worsened and the United States finally severed diplomatic ties with Iran on 7 April 1980.[60]

US Pressure on Japan

US pressure on Japan was more obvious during the hostage crisis, in comparison with the first oil crisis, owing to increasing differences in their approaches toward dealing with Iran. The United States increased its pressure in stages. When it announced its plans for its embargo of Iranian oil, President Carter sent a personal letter to the Japanese government the next day, urging the Japanese to adopt a similar position as regards its relations with Iran.[61] At this early stage, US government authorities dealing with Japan stated "they did not anticipate that Japan would take an identical position on the issues, as Japan and the US are placed under two very different circumstances".[62]

However, as the hostage crisis escalated, the United States was increasingly critical of Japanese economic activity in Iran. It was disapproving of Japanese oil companies buying Iranian oil at high prices despite the US embargo. US Secretary of State Cyrus R. Vance declared during a visit to Japan in December 1979 that it was "insensitive" of Japan to be purchasing "vast amounts" of Iranian oil at a high price when the United States was taking various economic measures to solve its diplomatic dilemma.[63] Japan was also criticised when the Bank of Japan did not apply pressure on Iran to repay its financial debts.[64] Other commentators in the United States began to directly link the slow resolution of the hostage situation to Japan's trading with Iran:

> Japan's excuse is that its state interests necessitate the purchasing of Iranian oil, and by doing this, the Ōhira government is prioritising national interest at all costs. However, as long as Japan—and other countries—think in this way, the US cannot hope to apply sufficient international pressure on Iran to release the fifty American hostages.[65]

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59 Sasaki, "Bei, Iran Funsō [Ge]", p. 187.

60 Sasaki, "Bei, Iran Funsō [Ge]", p. 187.

61 Sasaki, "Bei, Iran Funsō [Ge]", p. 188.

62 "Bei, Nihon ni Dōchō Motomenu: 'Tachiba no Chigai Rikai'" ("The US does not call for Policy Co-ordination, 'Understands Differing Position'"), *Yomiuri Shimbun*, 17 November 1979, Evening edition.

63 "Bei no Tai-Nichi Fuman Kakudai wo Kenen: Seifu, Bansu Hatsugen Jyūshi" ("Worries about Increases in the US's Discontent towards Japan: The Japanese Government considers Vance's statement as Important") *Nihon Keizai Shimbun*, 12 December 1979, p. 1.

64 Sasaki, "Bei, Iran Funsō [Ge]" p. 187.

65 "Shattering Oil's False Calm", *Business Week*, issue 2668, 22 December 1980, p. 16.

Japan was therefore strongly pressured to co-operate with the United States, and Japan's reluctance to co-ordinate with US policies represented not only an obstacle to US national interests, but also an undermining of its authority as the international hegemon.

The Japanese Position and Criticism of US pressure

Despite US pressure, Japan's initial position was to persevere and continue engagement with Iran motivated by its concerns about oil supply disruptions. In fact Japan's relations with Iran actually intensified after the revolution. Two reasons explain the deepening of Japan's relations with Iran during this period and why it was able to continue its alternative position to that of the United States. Firstly, Japan again found itself in an advantageous position in relation to Iran as a non-Western power, because it was seen as having few political and military interests in the area at the time of the revolution. Even after Iran had freed itself from colonial influence following the Second World War, the continued economic and military influence of the United States and Britain was evident. Their activities included exporting arms into the region.[66] On the other hand, not only was Japan historically a non-colonial power in the Middle East, but its activities prior to the revolution were limited to economic ones centring on importing Iranian oil and exporting Japanese industrial plant technology into Iran; nor was it involved in arms exports.[67] As a result, while US, English and French contracts in Iran were cancelled after the revolution, contracts from Japan were not. As other European industrial investments and exports to Iran came rapidly to a halt (West Germany, the United States and Japan had the greatest percentage of total exports into Iran, at 21.9 percent, 21.8 percent and 15.5 percent of respectively), Japan's percentage of total exports into Iran rose to 30 percent.[68] Japan's economic relations further deepened with Iran after the revolution. It was able to take an autonomous position in its relations with Iran as it was again the only industrialised "Western" country with diplomatic and economic relations with Iran.

Secondly, Japan's relationship with Iran deepened after the revolution because it was in a position as the only economic and political channel between Iran, the United

66 Keitarō Hasegawa, "Shinkyokumen no Bei-Iran Kankei" ("The New Situation of US-Iran Relations"), *Gekkan Jiyū Minshu*, vol. 293, June 1980, pp. 81–85, p. 81.

67 Hasegawa, "Shinkyokumen no Bei-Iran Kankei", p. 81.

68 Sasaki, "Bei, Iran Funsō [Ge]" p. 187.

States and other Westerns states.[69] In the period immediately after the revolution and during the US embassy hostage crisis, the United States was able to gather information as a result of Japan's strong economic connections with Iran. Despite its criticisms of Japan, the United States had recognised the utility of Japan as a communication channel.[70] As a consequence of Japan's position, anticipation for a greater international role for Japan, particularly with regard to the Middle East region, grew both within Japan and internationally.

While Japan was pressured by the United States, good relations with Iran also signified energy autonomy and a guarantee of stability in oil supplies, thus freeing it from energy dependence on the United States. Because of these positive aspects of its relations with Iran, the US hostage crisis raised debates in Japan of the costs and benefits of prioritising Japanese national energy interests over co-ordinating its policy position with the United States. Furthermore, the bilateral relationship with the United States in the context of Japan's relations with Iran further expanded to criticism of the US-Japan alliance itself. Critics of the Japanese government, most notably the Japanese Communist Party, argued that the Iran issue clearly indicated that Japan was blindly following the United States to the detriment of Japanese interests, and that the real danger lay in Japan's increasing commitments to the US-Japan alliance as the United States reinforced its military presence in the Middle East.[71] These critics argued that the US-Iran conflict, and the restrictions it was causing Japan's relations with Iran, highlighted the need for Japan to become a neutral state.[72]

To balance these varied domestic opinions, Japan decided to separate the US hostage crisis from its bilateral relations with Iran. To do this, the government firstly argued that Japan needed to "clearly signal to the United States" that self-restraint was required on the part of the United States rather than Japan, as the conflict with Iran was entirely borne out of US political miscalculations.[73] Secondly, the Japanese government also argued that Iran was important for Japan's energy interests, while Japan was important for Iran's communication with the West. Japan argued that a constructive

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69 Hasegawa, "Shinkyokumen no Bei-Iran Kankei", p. 82.

70 Sasaki, "Bei, Iran Funsō [Ge]" p. 187.

71 Sasaki, "Bei, Iran Funsō [Ge]" pp. 193–94.

72 Noriaki Sasaki, "Bei-Iran Funsō no Kiseki to Nihon Gaikō no Sentaku" ("Tracking the US-Iran Conflict and the Choices of Japanese Diplomacy"), *Bunka Hyōron*, vol. 231, no. 4852, July 1980, pp. 47–73, p. 73.

73 Hasegawa, "Shinkyokumen no Bei-Iran Kankei", p. 85.

bilateral relation existed and should therefore be maintained, both in the interests of Japan and the United States, regardless of the US crisis.[74]

However, at the same time, Japan tried to avoid creating a situation where it would be forced to choose between Iran and the United States, and endeavoured to meet US demands while continuing its relations with Iran. As a result, it attempted to appease US criticism and pressure by limiting Iranian oil imports to those levels that existed prior to the US hostage crisis, whereby direct dealing (DD) imports would be maintained at 460,000 barrels and imports (through major US based oil companies) at 620,000.[75] Also, Japan eventually conceded to US pressure to freeze all financial commitments in Iran and to co-ordinate other trading restrictions with the United States. The freezing of US capital in Iran meant that Japanese and other banks around the world that had syndicate loans through US banks had to also freeze their cash flows and interest rates.[76] The Japanese government agreed to this freeze after the US Deputy Secretary of the Treasury Robert Carswell was dispatched to Japan in December 1979.[77]

After the US announced the suspension of its diplomatic relations with Iran in early April 1980, it again pressured Japan to take a similar step.[78] Japan tried to oppose this, but was forced to meet US demands. However, rather than completely severing its ties with Iran, Japan tried to align its policies with the European Community by withdrawing its embassy in Tehran. Yet this action proved insufficient to satisfy the United States. On 11 April 1980, the Japanese government finally acceded to US pressure when the then Foreign Minister Saburo Ōkita indicated that the US-Japan alliance was more important than oil, and gave a clear statement that condemned the hostage situation.[79] On 21 April 1980, the Iranian government cancelled its oil supplies to Japan.[80] Relations were only normalised after the release of the US hostages in January 1981.[81]

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74 Hasegawa, "Shinkyokumen no Bei-Iran Kankei", p. 85.

75 Sasaki, "Bei, Iran Funsō [Ge]", p. 189.

76 Kasai, "Hakyoku ni itaruka Sekiyu Dankō", p. 79.

77 Sasaki, "Bei, Iran Funsō [Ge]", p. 189.

78 Maruyama, "Chūto to Nihon Gaikō"p. 59.

79 "Tai-Bei Kōka wo Nerau: Sekiyu yori Tai-Bei Kyōchō" ("Targeting affects on the US: Co-operation with the US over Oil"), *Asahi Shimbun*, 12 April 1980, p. 2.

80 Maruyama, "Chūto to Nihon Gaikō", p. 60.

81 Naoki Maruyama, "Japan's Middle East Policy in a Dilemma", *Bulletin of the Institute of Middle Eastern Studies International University of Japan*, vol. 2, 1986, pp. 263–87, p. 279.

Therefore, Japan attempted to maintain its relations with Iran after the Iranian Revolution by trying to placate the United States through measured appeasement. While this may seem like Japanese weakness in the face of US power, and far from being autonomous foreign policy, Japan's continuation of economic and diplomatic engagement with Iran were crucial as a means of achieving an alternative oil supply given the US position that it was no longer able to assist Japan on this front. Japan attempted to prolong the decision of having to choose between Iran and the United States by making itself useful as a communications channel between the two states, and also appeased US demands by temporarily curbing Iranian imports and financial investments. Japan also sided with European states by withdrawing its diplomatic representation in Tehran rather than adopting the US line of completely severing diplomatic relations.

The United States argued that Japan was insensitive to its crisis situation, and was even taking advantage of surplus oil in the market because of the US embargo, and pressured Japan to take a united stance against Iran. The US-Japan alliance eventually took priority over maintaining secure oil supplies and domestic criticism of the alliance, demonstrated by Japan's decision to publicly declare the importance of the US-Japan alliance. Japan's position on its relations with Iran after the Iranian revolution consequently demonstrates that good US-Japan relations and US accommodation of Japanese foreign policy was eventually deemed as being more important than the pursuit of national interest in relation to securing oil supplies. This shows that autonomous Japanese foreign policy was deeply affected by US interests, and that Japan's autonomy is restricted under US hegemony. While Japanese appeasement to the United States is seemingly demonstrates "nautonomy", its continued engagement with Iran after the Iranian Revolution and during the Iran-Iraq War shows that, from a longer-term perspective, Japan has maintained an autonomous Iran policy.

The Iran-Iraq War

In spite of the harsh criticism that Japan received from the United States, the importance of oil meant that Japan continued to follow a path of engagement with Iran. This section analyses Japan's untiring efforts to maintain relations with Iran, despite the increasing hard-line stance of the United States during the 1980s in relation to the Iran-Iraq War. Again, Japan's interactions with Tehran served positively for the United States during

this period as had been the case during the Iranian Revolution and the US hostage crisis, thereby suggesting that Japanese autonomous policies did not seek to undermine US policies in the region and indeed could be constructive to US interests.

The Origins of the Eight-Year War[82]

Many historical and political disputes were factors in triggering the Iran-Iraq conflict. While a long-standing cultural rivalry existed between Arab and Persian civilisations, tensions began to re-emerge between Iran and Iraq after the Iranian Revolution, which led to the start of the eight-year war in 1980.[83] Previously, during 1974 and 1975, Iran's Reza Pahlavi, alarmed by the rise of the revolutionary Baathist government of Iraq, had tried to weaken the Iraqi government by supporting the Kurdish rebellion in Iraq.[84] Iran provided aid, weapons, Iranian Kurdish contingents, and also a safe haven for Iraqi Kurdish refugees in Iran. In 1975 Iran and Iraq sought to end tensions by signing the Algiers Agreement. Under this agreement, Iran was to close its borders to Iraqi Kurds, while Iraq in return agreed to redefine the borders between Iran and Iraq along the Shatt al-Arab waterway.[85] The Algiers Agreement was violated when Iraqi Kurds in Iraq resumed their rebellion after the Iranian revolution, and Iran once again opened its borders to the Kurds of Iraq.[86] The Agreement was finally nullified in September 1980 and, with the support of Kuwait, Saudi Arabia and the United States, Iraq invaded Iran to stop the Shiite revolutionaries of Iran who were calling for the Shiites of Iraq to overthrow the secular government of Saddam Hussein.[87] Fighting between the two countries endured for eight years.

The US Position

The United States officially took a position of neutrality in the Iran-Iraq conflict. However, it was actually providing information and weapons to both sides in order to gain control over the region's oil supplies and to achieve strategic advantage over the

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82 The Iran-Iraq War spanned from 1980 to 1988.

83 Fred Halliday, "The Iranian Revolution and International Politics: Some European Perspectives" in John L. Esposito and R. K. Ramazani, *Iran at the Crossroads*, pp. 175–90, p. 180.

84 Sir Anthony Parsons, "Iran and the United Nations, with particular reference to the Iran-Iraq War, pp. 7–30, p. 10.

85 Parsons, "Iran and the United Nations, with particular reference to the Iran-Iraq War, pp. 16–17, 26–27.

86 Cleveland, *A History of the Modern Middle East*, p. 370.

87 Cleveland, *A History of the Modern Middle East*, pp. 370–71.

Soviet Union.[88] By supporting both sides, the United States prolonged the Iran-Iraq War so that it could compel the Gulf States to strengthen their military co-operation with the United States, thereby allowing US military bases and naval rights in the Persian Gulf.[89]

Despite its neutrality, the United States on the one hand supported Iraq because of its concerns over Soviet expansion in the region, rewarding Iraq with a supply of five Boeing jetliners and government officials for formal talks.[90] The United States also removed Iraq from its list of problematic states that support terrorism, and extended a US$400 million credit guarantee for US exports to Iraq.[91] On the other hand, the United States was also trying to covertly engage with Iran, while it upheld an official façade of condemning the Khomeini government. As a consequence, the United States backed anti-Khomeini factions operating in Iran,[92] such as two paramilitary groups who had close connections to the former Shah,[93] while at the same time supplying arms to the Iranian government as a means to combat communism in the region.[94]

Japan's Position in the Iran-Iraq War

Japan, cautious from its experiences in the US hostage crisis, was extremely careful not to take sides in dealing with Iran and Iraq. However, it made the decision to remain engaged with Iran, which again put it in direct conflict with the United States. The first reason for Japan maintaining its relationship with Iran was the latter's strained relations with both the United States and the Soviet Union. Throughout the early 1980s, Iran was considered an important state in the superpower rivalry. However, Iran's "Neither West nor East" slogan, which sought to play the two powers against each other, backfired and isolated it internationally after 1985, when relations between the United States and the

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88 Mansour Farhang, "The Iran-Israel Connection" in Abbas Alnasrawi and Cheryl Rubenberg (eds.), *Consistency of US Foreign Policy: The Gulf War and the Iran-Contra Affair*, Belmont, AAUG, 1989, p. 96.

89 Richard Halloran, "US Altering Strategy for Defense of Arabian Oilfields", *New York Times*, 4 December 1988, p. A32.

90 Robert O. Freedman, "Soviet Policy towards the Persian Gulf from the Outbreak of the Iran-Iraq War to the Death of Konstantin Chernenko" in Wim J. Olson (ed.) *US Strategic Interests in the Gulf Region*, Boulder, Westview, 1987, p. 55.

91 Joe Stork and Martha Wenger, "US ready to intervene in the Gulf War", *Middle East Information and Research Project Report*, nos. 125/126, July–September 1984, pp. 44–48, p. 45.

92 Farhang, "The Iran-Israel Connection", p. 95.

93 Leslie H. Gelb, "US said to aid Iranian Exiles in Combat and Political Units", *New York Times*, 7 March 1982, pp. A1–2.

94 United States President's Special Review Board, *The Tower Commission Report: The Full Text of the President's Special Review Board*, New York, Bantam Books, 1987, p. 65, p. 261; Anthony H. Cordesman, *The Iran-Iraq War and Western Security, 1984–87*, London, Jane's Publishing Co., 1987, pp. 23–36.

Soviet Union improved.[95] As a result, Japan continued to be an important state for Iran as a communication channel to the Western bloc. Secondly, international opinion leant towards Iraq in the Iran-Iraq conflict, in recognition of the Iraqi government's more positive attitude towards a ceasefire and willingness to enter unconditional negotiations with Iran.[96] Iran, on the other hand, had rejected this statement from Iraq, and insisted that it was ready to end the conflict only if three conditions were met: the resignation of Saddam Hussein; US$100 billion in compensation; and the relocation of Iraqi refugees in Iran back to Iraq.[97] Iran also argued that the West was too lenient towards Iraqi attacks on Iranian tankers, whereas Iranian retaliation attacks on Iraqi oil tankers were internationally admonished.[98] While Iran continued to perceive itself as a victim of unfair international treatment, Japan saw its relations with the Muslim state as being crucial to maintaining a dialogue that would prevent Iran from further becoming internationally isolated.

There was also the anticipation of greater Japanese investment in the region. While Japan was a major exporter to the region and depended on the Middle East for 70 percent of its oil, it was yet to participate in large-scale economic development projects.[99] Due to Japan's position vis-à-vis the United States, Iran and Iraq, calls for greater Japanese political involvement in Iran and the Middle East were voiced in the region as the Iran-Iraq conflict unfolded.[100] Japan was divided on the question of whether it should respond to calls for greater involvement in resolving the Iran-Iraq war, chiefly because of the recurring issue of balancing its relationship with Iran and the US-Japan alliance. The then director of the Middle and Africa Bureau in the Japanese Ministry of Foreign Affairs Wasuke Miyake argued that some policymakers in MOFA worried about the implications of closer relations with Iran on Japan's alliance with the United States.[101] Others argued that relations with Iran were just as important, as Iran could

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95 Fred Halliday, "Introduction", in Anoushiravan Ehteshami and Manshour Varasteh (eds.), *Iran and the International Community*, New York, Routledge, 1991, pp. 1–6, pp. 2–3.

96 Wasuke Miyake, "Chūto Wahei Mondai to Iran-Iraku Funsō" (The Problem of Peace in the Middle East and the Iran-Iraq Conflict), *Sekai Keizai Hyōron*, vol. 29, no. 8, August 1985, pp. 36–49, p. 44.

97 Miyake, "Chūto Wahei Mondai" p. 44.

98 Miyake, "Chūto Wahei Mondai", p. 44.

99 Tadashi Kojima, "Shiren ni tatasareru Hidōmei Jishu Rosen" (The Anti-Alliance Independent Line Tested), *Sekai Shūho*, vol. 62, no. 1, 30 December 1980, pp. 74–79, p. 79.

100 Shintarō Abe, "Gekishin tsuzuku Sekai, Omomi masu Nihon Gaikō" ("The Rapidly Changing World and the Increasing Importance of Japanese Diplomacy", *Gekkan Jiyū Minshu*, vol. 334, November 1983, pp. 40–45, p. 42.

101 Suguru Honda, "Kasumigaseki 'Dokuji' Gaikō no Dasan to Seika" ("The Calculations and outcomes of Kasumigaseki's 'Independent' Foreign Policy"), *Asahi Journal*, vol. 26, no. 33, 3 August 1984, pp. 90–95, p. 90.

potentially play an influential role in the region and internationally if it had greater political and economic stability, because it was a country rich in natural resources and was in a geo-strategically important position.[102] In the end, the Japanese government's pro-Iran supporters were able to advance a plan for a political delegation to go to Iran for four days on 30 October 1982.[103] The pro-Iran lobby had the advantage in this instance, as the Japanese government had made significant efforts in laying the groundwork for good relations with Iran in preparation for Japanese Minister of Foreign Affairs Shintarō Abe's trips to both Iran and Iraq in August 1983.[104] Abe's trips were made as a response to calls for greater participation in the region, but they were also seen as a gesture of Japanese determination that its pursuit of oil would not be jeopardised in this conflict as had happened during the hostage crisis, and a demonstration that its diplomacy did not always defer to the US position.[105]

Japan further justified its engagement with Iran as an indirect contribution towards a ceasefire and peace between Iran and Iraq by "creating an environment conducive to peace" ("*wahei no kankyō zukuri*").[106] These efforts were evaluated positively internationally and led to suggestions for a more direct mediation role for Japan. A Japanese bureaucrat posted to the region reports of Iran and Iraq both approaching Japan to broker a ceasefire in 1983.[107] Junpei Kato, former Ambassador to Oman, argues that Iran and Iraq both realised that the conflict was turning into a prolonged quagmire, and had secretly planned to get Japan involved.[108] One of the major reasons why Japan was approached was because it had no obvious interests in the Iran-Iraq War: it was not an exporter of weapons, and it would only be in Japan's interest for the war to end given its heavy dependence on oil from the Middle East.[109] However, mindful of domestic opinion, Iran and Iraq were not keen to indicate publicly their intent to end the conflict and wanted to keep the negotiations a secret. Kato argued that Japan, on the other hand, did not want to be viewed as acting only in its "national interest" after being accused previously by the United States of employing mercantilist foreign economic policies behind its policies in the Middle East. Therefore, Japan wanted to publicly declare that

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102 Miyake, "Chūto Wahei Mondai", p. 44.
103 Honda, "Kasumigaseki 'Dokuji' Gaikō", p. 90.
104 Abe, "Gekishin tsuzuku Sekai," p. 42.
105 Honda, "Kasumigaseki 'Dokuji' Gaikō", p. 91 and Abe, "Gekishin tsuzuku Sekai," p. 42.
106 Honda, "Kasumigaseki 'Dokuji' Gaikō", p. 91.
107 Katō, "Nishi Ajia to Arabu Shokoku", p. 143.
108 Katō, "Nishi Ajia to Arabu Shokoku", p. 143.
109 Katō, "Nishi Ajia to Arabu Shokoku", p. 143 – 144.

its motivations behind the ceasefire were for peace in the Middle East in general.[110] Kato maintained that, due to these problems, actual plans for Japan to mediate did not eventuate.[111] Despite Japan's lost opportunity to directly broker peace, the Japanese government still regarded its role as a mediator for a ceasefire in the Iran-Iraq War as being an important achievement.[112] It signified that Japan's international participation was not merely symbolic; it was genuinely appreciated as a reliable and important communication line between Iran and the United States.

Japan's position as a relatively neutral state in the Middle East also meant that it could support the covert double-diplomacy of the United States more openly through its close relations with both Iran and Iraq. Japan's preferential treatment and close communications with Iran were again due to it being the only industrialised country that had relations with both Iran and Iraq, and it continued to be trusted by Iran as a state that had not yet "got its hands dirty" in the Middle East.[113] The good relations were welcomed because the United States was in a position where it had to take a strong stance on Iran due to domestic sentiment over the hostage crisis.[114] Iran's trust of Japan was also noticeable when it disclosed to the Japanese, several months before the official declaration in the latter half of 1983, that it would only block the Straits of Hormuz if it were totally unable to export oil.[115]

Therefore, in this case Japan took a different policy position to the United States, but managed its support of engagement with Iran and alliance with the United States by positioning itself as a mediator between Iran and Iraq and also between Iran and the United States. By presenting itself such a role, Japan was able to pursue autonomous polices without greatly disrupting the US-Japan alliance. The favourable interpretation of Japan's Iran and Iraq policies by the United States made it easier for Japan to successfully maintain autonomous policies during the Iran-Iraq War in comparison to the previous decade. This fact demonstrates that US perceptions of Japanese foreign policies were an extremely important factor for Japan-Iran relations, and that Japan's autonomous initiatives continued to be sensitive to and restricted by US interests.

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110 Katō, "Nishi Ajia to Arabu Shokoku", p. 144.

111 Katō, "Nishi Ajia to Arabu Shokoku", p. 144.

112 Takashi Kakizaki, "Iran no Ugoki—Teisengo no Tenbō to Nihon no Yakuwari" ("Iran's Movements—Prospects after the Ceasefire and Japan's Role"), *Journal of Middle Eastern Studies*, no. 323, October 1988, pp. 8–11, p. 11.

113 Abe, "Gekishin tsuzuku Sekai", p. 42.

114 Abe, "Gekishin tsuzuku Sekai", p. 42.

115 Honda, "Kasumigaseki 'Dokuji' Gaikō", p. 92.

Post-Cold War: US and Japanese Perceptions of Iran during the 1990s

The preceding section discussed how US pressure placed limits on Japanese policy towards Iran across the Cold War period. This section reveals that the pattern of US interests restricting Japanese foreign policy in Iran largely continued during the post-Cold War period.. Again, the main point of disagreement was over engagement or disengagement with the Islamic Republic. However, due to the absence of major crises in comparison to the previous decades, Japan was able to momentarily prioritise and advocate greater engagement with Iran during the 1990s over US pressures.

On the one hand, the United States perceived that Iran continued to pose a threat to the stability of the Middle East and US interests in the region at the end of the Cold War and, as a result, it maintained a hard-line stance of containment. Iran remained problematic for the United States for three major reasons: its persistent anti-US and anti-Israeli stance; its subsequent support of Arab terrorists in the region; and its desire to develop nuclear weapons. As a consequence, the United States increased its presence in the region, and militarily reinforced surrounding states throughout the post-Cold War era.[116]

On the other hand, at the end of the Cold War, Japan had extensive economic power and 45 years of international existence as a peaceful, non-militant state, which promised greater freedom for Japan to pursue its interests with less restrictions and pressures from the United States. However, the US-Japan alliance continued to be relevant and important in the post-Cold War era, and therefore Japan still had to manoeuvre its relationship with Iran within this framework. Japan continued to rely on Iran for a stable supply of oil that did not depend on the United States. In addition, Japan argued that it was important to engage with Iran both politically and economically, because the Islamic Republic's isolation from both the United States and Russia persisted even after the Cold War. As a result, Japan continued juggling its position on Iran with US interests during this period.

US Concerns over Iran and Terrorism in the 1990s

Although earlier Iranian terrorist activities were undertaken to spread the Islamic revolution to other countries of the Middle East, in the post-Cold War period terrorism

[116] Sakai, "Seiki Matsu no Perusha wan to Nihon Gaikō", p. 97.

in the region was increasingly in relation to supporting the Palestinian cause in the Israel-Palestine conflict. As a consequence, the United States maintained its hard-line position towards Iran and terrorism in the post-Cold War period. Terrorism supported by Iran persisted because hard-line clerics of the Islamic Republic strongly opposed a two-state solution to the Israeli-Palestine issue, calling for the return of all Muslim territory to their rightful people—in Iran's view, the Palestinians.[117] Because Iran believed that the Israelis were not rightfully permitted to establish a state, it viewed the attempts by the Popular Front for the Liberation of Palestine General-Command, Hezbollah, Hamas and the Islamic Jihad to free their land from Israeli occupation as legitimate.[118] The United States, on the other hand, viewing these as militant groups which killed innocent people and sought to undermine the peace process between Israelis and Palestinians, consequently categorised them as terrorists.[119] While Iran denies having operational influence over Hezbollah, it has consistently supported Hezbollah, which is believed to have been associated with the bombing of US Marine Corp barracks and the US embassy in Lebanon in 1983, as well as other killings and hostage-taking of US citizens throughout the 1980s.[120] During the Iran-Iraq War, Iran was also accused of being involved in maritime terrorism against Iraq, attacking commercial ships with grenades and floating mines.[121]

The moderate former President Mohammad Khatami attempted to change this political rhetoric and image of the Iranian government during his term in the Majlis (Iranian parliament) from 1997 to 2005. He opposed hard-line attitudes towards terrorism and publicly denounced it, defining it as the "killing of innocent men and women who are not involved in confrontation."[122] He also removed counter-reformist conservatives in the Ministry of Intelligence, who often worked to destabilise Khatami's efforts of reform and rapprochement with the international community.[123] However, this was not enough to appease US suspicions of Iran's involvement with terrorist groups, and it maintained its hard-line position throughout the 1990s. The Clinton

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117 Brumberg, "End of a Brief Affair?", p. 4.

118 Gary Sick, "Iran: Confronting Terrorism", *Washington Quarterly*, vol. 26, no. 4, Autumn 2003, pp. 83–98, p. 93.

119 Sick, "Iran: Confronting Terrorism", pp. 93–94.

120 Despite this, there is evidence to suggest otherwise. See Fereydoun Hoveyda, "Iran and America", *American Foreign Policy Interests*, vol. 28, 2006, pp. 15–21, p. 19.

121 Sick, "Iran: Confronting Terrorism", p. 86.

122 President Mohammed Khatami interviewed in a CNN interview with Christiane Amanpour as quoted in Sick, p. 89. Khatami, however, distinguishes between terrorism, and "peoples who fight for the liberation of their land".

123 Sick, "Iran: Confronting Terrorism", p. 89.

administration strengthened its strategy of containing Iran throughout the 1990s beginning with the "Bottom-Up Review" defence plan in 1993, which sought to contain rogue states such as Iran, Iraq, Libya, and Cuba.[124] The Clinton administration also banned US Conoco Petrochemical Company from developing Iranian oil fields in mid-March 1995.[125] In 1996 the United States further upgraded its hard-line stance towards Iran by signing the Iran and Libya Sanctions Act.[126] This bill stated that any company investing more than US$40 billion into Iran would not be permitted to export its products into the United States.[127]

The Japanese Position on Iranian Terrorism and US concerns

Contrary to the US position, Japan played down Iran's involvement in terrorism, which reflected the continued importance of Iran in the post-Cold War era for oil supplies to Japan. Japan's dependence on oil also translated into fundamental differences between Japan and the United States over how to deal with various terrorist groups in the region. Historically, Japan did not have a comprehensive or a consistent long-term anti-terrorist strategy, and often negotiated with terrorists, including their own domestic terrorist group of the 1970s—the Japanese Red Army—which was also involved in various hijackings and hostage takings internationally in the name of the Palestinian cause.[128] Particularly controversial in the context of Japan's handling of terrorism was the Red Army's attack on Lod Airport in Tel Aviv in May 1972.[129] In the Lod Airport incident, the Japanese government responded by sending an official delegation to Israel to pay its condolences and provided US$700,000 as compensation to the victims' families.[130] As a

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124 Manabu Shimizu, *Chūtō Shin Chitsujo no Mosaku (In Pursuit of a New Order in the Middle East)*, Tokyo, The Institute of Developing Economies, 1997, p. 26.

125 Hiroshi Komatsu, "Iran eno Enshakkan Tōketu Kaijo wa Sakiokuri" ("The End to Freezes on Yen Loans to Iran Postponed"), *Economist*, Japanese edition, vol. 73. no. 14, 4 April 1995, p. 19.

126 House Report 109-417—Iran Freedom Support Act, *The Library of Congress Website*, http://thomas.loc.gov/cgi-bin/cpquery/?&dbname=cp109&sid=cp10984yHn&refer=&r_n=hr417.109&item=&sel=TOC_46286&, accessed 22 August 2006.

127 Iran and Libya Sanctions Act H.R. 3107, *The Library of Congress Website*, http://thomas.loc.gov/cgi-bin/query/z?c104:H.R.3107.ENR:, accessed 10 May 2006. In reality, due to protests from the EU and even US domestic businesses, the effectiveness of the bill was often questioned.

128 Akifumi Ikeda, "Japan's Relations with Israel", in Kaoru Sugihara and JA Allan (eds.) *Japan and the Contemporary Middle East*, New York, Routledge, 1993, pp. 155–69, p. 156.

129 Ikeda, "Japan's Relations with Israel", p 156. The incident killed 26 people and injured another 80, and indicated close connections between the organisation and Palestinian resistance groups. Other activities of the Red Army included the occupation of the French embassy in The Hague and the Japanese embassy in Kuwait in 1974, and the US and Swedish embassies in Kuala Lumpur in 1975. On each of these occasions, the Japanese government met terrorist demands by releasing imprisoned activists and paying ransoms in order to secure the release of kidnapped citizens.

130 Katō, "Nishi Ajia to Arabu Shokoku", p. 141 and Ikeda, "Japan's Relations with Israel", p. 159.

consequence, Japan was criticised internationally for supporting terrorist organisations by choosing to negotiate with them.[131] However, Japan continues to take the position of negotiation in dealing with terrorists today.[132] Japan's ad hoc approach to terrorism demonstrated that, despite US concerns over Iran's connections to terrorist groups, engagement with the Middle East remained the cornerstone of Japanese policy for securing oil in the post-Cold War period.

The Japanese government instead argued that stability in Iran depended on its economic development and advocated engagement with the moderates of the Iranian government.[133] For this reason, Japan continued to administer development aid according to the Japanese ODA scheme throughout the 1990s. In 1993, Japan granted a loan of ¥38 billion (approximately US$400 million) for the construction of a hydraulic power station, which was met with particular disapproval from the United States.[134] Then Japanese Prime Minister Tomiichi Murayama refused the first appeal by the United States to freeze Japanese loans into Iran, on the argument that it would adopt the "sunshine" approach as opposed to the "north wind" approach of the United States, and also from optimism that it was not alone in taking a different line to the United States—Germany and France were also choosing to differ from the United States in regards to policy on Iran.[135]

Limitations on Japan's Iran policy in the early 1990s due to US influences

While Japan persisted in its position of engagement with Iran, it reconsidered its policies to some extent after Clinton made the Conoco decision. In June 1995, Japan and the European Union (EU) announced their decision not to follow the US line, but did decide to freeze their loans to Iran.[136] As a result, Japan was forced to postpone its second loan

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131 Katō, "Nishi Ajia to Arabu Shokoku", p. 141.

132 "Japan denies ransom offer for hostage in Iraq", *Jiji Press News Service*, 2 November 2004. Although unrelated to Iranian terrorism, the recent hostage of Japanese citizens in the aftermath of Operation *Iraqi Freedom* by an Iraqi insurgence group shows continuity in the Japanese approach of engagement and negotiation with terrorist groups, and the fundamentally different approach Japan takes in comparison to the United States.

133 Komatsu, "Iran eno Enshakkan", p. 19.

134 Yasuhiro Takeda, "Minshuka Seisaku wo meguru Nichi-Bei Tairitsu no Katsufuku" ("Overcoming US-Japan Conflict on Democratisation Policy", *The Okazaki Institute*, http://www.okazaki-inst.jp/alliance-pro-jap/takeda.jap.html, accessed 22 August 2006.

135 From Aesop's fable "The Sun and the North Wind", where the sun and north wind have a competition to see which would be able to get a man's coat off first. The north wind blew as hard as it could and the man pulled his coat more tightly around him, whereas the sun beamed down on the man and was successful in getting the coat off.

136 Komatsu, "Iran eno Enshakkan", p. 19.

of ¥48.5 billion as a compromise to US pressure.[137]. However, US disapproval of Japan's engagement with Iran was somewhat unconvincing, given that major US oil companies were trading Iranian oil work US$3.5 billion at the time.[138] Japanese Ministry of Foreign Affairs Under-secretary Kunihiko Saitō gave a statement expressing this, where he objected to the freeze and emphasised that the isolation of Iran would not achieve "the Iran that we want to see"—one that would be open to the potential of stability and engagement with the rest of the international community.[139] Despite this Japanese criticism, the Iran and Libya Sanctions Act was implemented, which was criticised not only by Japan and the European Union, but also US domestic businesses.[140]

The early post-Cold War period thus showed continuing differences in Japanese and US policies regarding Iran. The 1990s were marked by Iran remaining important to Japan as a major oil supplier, and Japan's attempts to downplay US concerns about improving its political and economic relations with Iran. While this autonomous policy was successful initially, the United States continued to pressure Japan to reduce its interactions with Iran in the 1990s despite the end of the Cold War, and the greater autonomy of foreign policy that was anticipated did not eventuate. The lack of crisis situations compared to the previous decade worked both for and against Japan's engagement with Iran. On the one hand there were few diplomatically difficult situations where the United States required urgent response and support, giving Japan greater leeway to pursue a policy of engagement as a consequence. On the other hand, Japan could not argue that its relations were necessarily beneficial to the United States in terms of intelligence gathering, and was therefore more prone to pressure from the United States over enduring problems such as terrorism.

The United States therefore viewed Japan's continuing engagement with Iran as problematic, but the early 1990s signified a brief period where Japan's foreign policy became less restricted by US interests and when an autonomous Iran policy was easier to maintain. Japan kept the option for eventual US engagement with Iran open while still enabling the United States to maintain its hard-line rhetoric as the hegemon. Japan accommodated certain US pressures along the way, but it was largely able to argue an

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137 Akitoshi Miyashita, "*Gaiatsu* and Japan's Foreign Aid: Rethinking the Reactive-Proactive Debate", *International Studies Quarterly*, vol. 43, 1999, pp. 695–732, p. 704.

138 Komatsu, "Iran eno Enshakkan", p. 19.

139 Sakai, "Seiki Matsu no Perusha wan to Nihon Gaikō" p. 99.

140 Claude Salhani, "Double peril from Iran", *The Washington Times*, 1 May 2006.

autonomous line that engagement with Iran was crucial for Iran's development and stability in the region, without this necessarily signifying a rift with the US position.

Iran and the Bush Doctrine

While the 1990s represented some easing in the tensions between Japan and the US policies toward Iran, Iran was singled out by the United States as being part of the "Axis of Evil" after the 11 September 2001 terrorist attacks and also became bolder in its nuclear development activities. As a consequence, Japan has found it increasingly difficult to "conceal a gulf between the Bush administration"[141] and ignore US pressure, in particular to follow through with the development of the Azadegan oil field. The next section addresses Japan's attempts to push forward with its controversial oil field project in Iran, despite growing international concerns over terrorism and the proliferation of nuclear weapons in the Middle East. While still an ongoing issue, the pressure faced by Japan regarding the Azadegan oil field project demonstrates that autonomous Japanese foreign policy in Iran continues to be restricted by US demands; and the potential that Japan may modify its involvement is high.

US Concerns over Iran and Nuclear Development

The perception of Iran as a dangerous, hard-line Islamic nation driven by anti-US nationalism continued under the current administration led by George W. Bush and forms the backbone of current US policy towards Iran. This is despite the fact that Iran co-operated with the United States after the terrorist attacks of 11 September 2001. During the subsequent war in Afghanistan, Iran shut its borders so that al-Qaeda fighters would remain in Afghanistan, supplied food and arms to the Northern Alliance,[142] and allowed the United States aircraft to make emergency landings in Iran.[143] Iran was praised by the United States for its constructive participation in the Bonn talks to establish a new interim government in Afghanistan,[144] and Iran also supported

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141 "Japan-US Summit: Gaps in view on Axis of Evil Issue; Japan at great pains to persuade 'hard-line' US", *Mainichi Shimbun*, 14 September 2002, p. 2.

142 Brumberg, "End of a Brief Affair?", p. 1.

143 Osamu Miyata, "Nihonjin to Iranjin: Shirarezaru Isuramu Taikoku" ("The Japanese and the Iranians: The Unknown Islamic Great Power"), *Economist*, Japanese Edition, vol. 81, no. 6, 4 February 2003, pp. 80–89, p. 81.

144 Sick, "Iran: Confronting Terrorism", p. 90.

Afghanistan financially by giving US$560 million—the largest donation from a developing state.[145]

However, despite Iranian overtures to the United States, the latter has only hardened its position, and indeed Bush named Iran as part of the "Axis of Evil" in January 2002,[146] arguing that Israeli intelligence had intercepted a ship carrying 50 tonnes of weapons and explosives originating from Iran and heading for Palestine.[147] The Iranian government was also accused of hiding al-Qaeda terrorists within its borders.[148] The United States argued that reformists within Iran, such as President Khatami, had only limited influence, and that the United States should therefore take a pessimistic and cautious outlook on Iran.[149]

In addition to its connections with terrorism, the United States has recently been more concerned about Iran's alleged development of weapons of mass destruction. Throughout the 1990s, Western analysts had been aware of Iranian nuclear activity, but assumed that lack of technology limited the nuclear capacities of the Bushehr plant.[150] However, US intelligence reports revealed in early 2003 that a gas centrifuge uranium enrichment plant in Natanz, Central Iran, was nearly ready for a pilot run.[151] Michael Green argues that "Iran could be anywhere from five to 10 years away from having nuclear weapons" particularly "if Iran received help from North Korea—or from rogue scientists from Russia or China".[152] There are many problematic aspects of Iranian nuclear development, the three main issues being transparency; the actual need for an alternative energy source; and also conversion of civilian uranium usage to nuclear weapons.

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145 Miyata, "Nihonjin to Iranjin", p. 81.

146 State of the Union Address, 29 January 2002, *The White House Website*, http://www.whitehouse.gov/news/releases/2002/01/print/20020129-11.html, accessed 10 May 2006.

147 Sick, "Iran: Confronting Terrorism", p. 90.

148 Miyata, "Nihonjin to Iranjin", p. 81.

149 Miyata, "Nihonjin to Iranjin", p. 81.

150 The Bushehr plant was constructed in the 1970s, under Reza Shah with the assistance of German technology. Therefore, the problem of Iranian nuclear development is not an issue particular to the Islamic Republic. See David Albright and Corey Hinderstein, "Iran: Furor over Fuel", *Bulletin of the Atomic Scientists*, vol. 59, no. 3, pp. 12–15.

151 Albright and Hinderstein, "Iran: Furor over Fuel", p. 12, and Ray Takeyh, "Iran's Nuclear Calculations", *World Policy Journal* vol. 20, no. 2, Summer 2003, pp. 21–28, p. 21.

152 Michael Green, "Japan should re-examine Iran policy", *The Nikkei Weekly*, 5 June 2006, p. 30.

On issues of transparency, although a member of the Nuclear Non-Proliferation Treaty (NPT),[153] Iran has proved unwilling to accept new regulations that require states to provide the International Atomic Energy Agency (IAEA) with plant design information at the time of construction authorisation, and has also refused to sign an additional protocol (the 93+2 Protocol) that gives the IAEA more authority to investigate clandestine nuclear activity.[154] This has allowed Iran to develop not only two nuclear development plants, but one with heavy-water production capabilities for uranium enrichment, and has confirmed its failure to disclose the importation of nuclear material.[155] There is also significant debate in the United States over whether Iran, a country rich in oil and natural gases, actually needs an alternative energy strategy.[156] Iranian hard-line clerics have argued the need to develop nuclear capacities as a more effective deterrent, and are quick to dismiss US criticisms on acquiring nuclear capabilities by frequently changing the focus of any discussion from a need for Iran to acquire nuclear technology to the right for such technology.[157] This argument further fuelled US fears that nuclear development in Iran was more a challenge to the existence of an exclusive nuclear club, rather than an issue of national security.[158]

Former President Khatami and other moderates have called for the signing of the additional protocol and have emphasised the need to balance nuclear ambitions with

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153 There are three pillars of the NPT. The first calls for non-proliferation of nuclear weapons, and stipulates that only five nuclear countries can possess nuclear weapons—France, China, Russia, the United Kingdom and the United States. Under the Treaty, these five states nuclear weapons states (NWS) are not permitted to transfer nuclear technology or weapons to other states, and other states must not seek to develop nuclear weapons. The second pillar calls for NWS to reduce existing nuclear weapons and not to take threatening postures that might induce other non-NWS to acquire nuclear weapons. The third pillar allows NWS and other states the inalienable right to use nuclear energy for peaceful purposes. In particular, Iran cites this third pillar to justify its desire to develop nuclear capabilities. See "The Treaty on the Non-Proliferation of Nuclear Weapons", http://www.un.org/events/npt2005/npttreaty.html, *United Nations Website*, accessed 20 September 2006.

154 Albright and Hinderstein, "Iran: Furor over Fuel", p. 12.

155 Takeyh, "Iran's Nuclear Calculations", p. 12.

156 The reason given by the Iranian government is that fuel consumption has doubled in the past 11 years, whereas oil production has decreased and, given that Iran's main source of foreign revenue is from oil, strategies to maintain its valuable resources are needed. The proposed plant in Natanz is said to be capable of doing this, producing enough low-enriched uranium for one 1,000-megawatt electric reactor when completed. This energy capacity is said to be standard for plants the size of Bushehr and Natanz, but fears that such facilities could also be used to make approximately three nuclear weapons a year endure. The two plants do not make Iran's nuclear capacities as advanced as the current capabilities of North Korea, but more advanced than its neighbour Iraq prior to the recent Operation *Iraq Freedom*. See Albright and Hinderstein, p, 14; "Iran Genpatsu Kensetsu Kaku wa Bei Koshō Zairyō" ("Iran builds Nuclear Reactor, Nuclear [Issue] Formula for US Negotiations"), *Mainichi Shimbun*, Morning edition, 28 December 2002, p. 7; Chubin and Litwak, p. 101.

157 "Answers to Questions", *Farda*, no. 10, May 1999 as quoted in Takeyh, "Iran's Nuclear Calculations", p. 24. *Farda* is a moderate Iranian journal that is associated with the Foreign Ministry.

158 "Iran Gaishō 'Heiwa Riyō no Kenri Shuchō suru'" ("Iranian Foreign Minister 'Asserts Right to Peaceful Nuclear Usage'"), *Asahi Shimbun*, 4 May 2006.

responsibilities to the international community. On the other hand, hard-line clerics fear that the IAEA will pass on information gathered during inspections to US intelligence agents.[159] Despite the divide within Iran, American analysts such as Kenneth M. Pollack argue that the sheer fact that anti-US ideology of the conservative clerics still exists within Iran makes its nuclear development a problem. Iran has supported anti-US terrorism since the Second World War and, while its anti-Americanism is not as strong as immediately after the Iranian Revolution, Pollack argues that caution is still needed in ascertaining Iranian nuclear intent.[160]

US Pressure on Japan in the Context of the "War on Terror"

The most controversial conflict regarding current Japanese policy towards Iran in the context of the Bush Doctrine and the "War on Terror" involves the development of the Azadegan oil field. On 19 February 2004, Japan announced that it had signed an agreement to develop this extensive oil field through Inpex Corporation, Japan's biggest oil exploration company in which the government has a 36 percent control.[161] It announced that it would be spending US$2.5 billion to develop the Azadegan oil field—said to be the biggest untapped oil field in the Gulf region, containing an estimated 26 billion barrels.[162]

The Japanese government had first gained a favourable negotiation position when President Khatami visited Tokyo in November 2000.[163] Rights to develop the Azadegan oil fields were crucial, given that Japan's Arabian Oil Company lost its concession in the Saudi Arabian Khafji oil field in February 2000.[164] Japan gave a loan of US$3 billion to Iran in 2001; a move that was widely criticised by the United States.[165] To further

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159 "Uran Nōshuku Keikaku Teishi, Iran Kōritsu Kaihi, EU to Bōeki Kōshō Zenshin Kitai", ("Uranium Enrichment stopped, Iran avoids Isolation, Anticipation for trade negotiations with the EU"), *Nihon Keizai Shimbun*, Morning edition, 22 October 2003, p. 6.

160 Kenneth M. Pollack and Suzanne Maloney, "Why Iran's Nuclear Development is a Problem", *Ronza*, vol. 117, February 2005, pp. 299–305, pp. 300–301.

161 "Our Business: Middle East", *Inpex Corporation Website*, http://www.inpex.co.jp/english/business/project/middle_east-02.html, accessed 28 July 2006; George Nishiyama, "Japan walks diplomatic tightrope over Iran crisis", *Reuters News*, 14 February 2006.

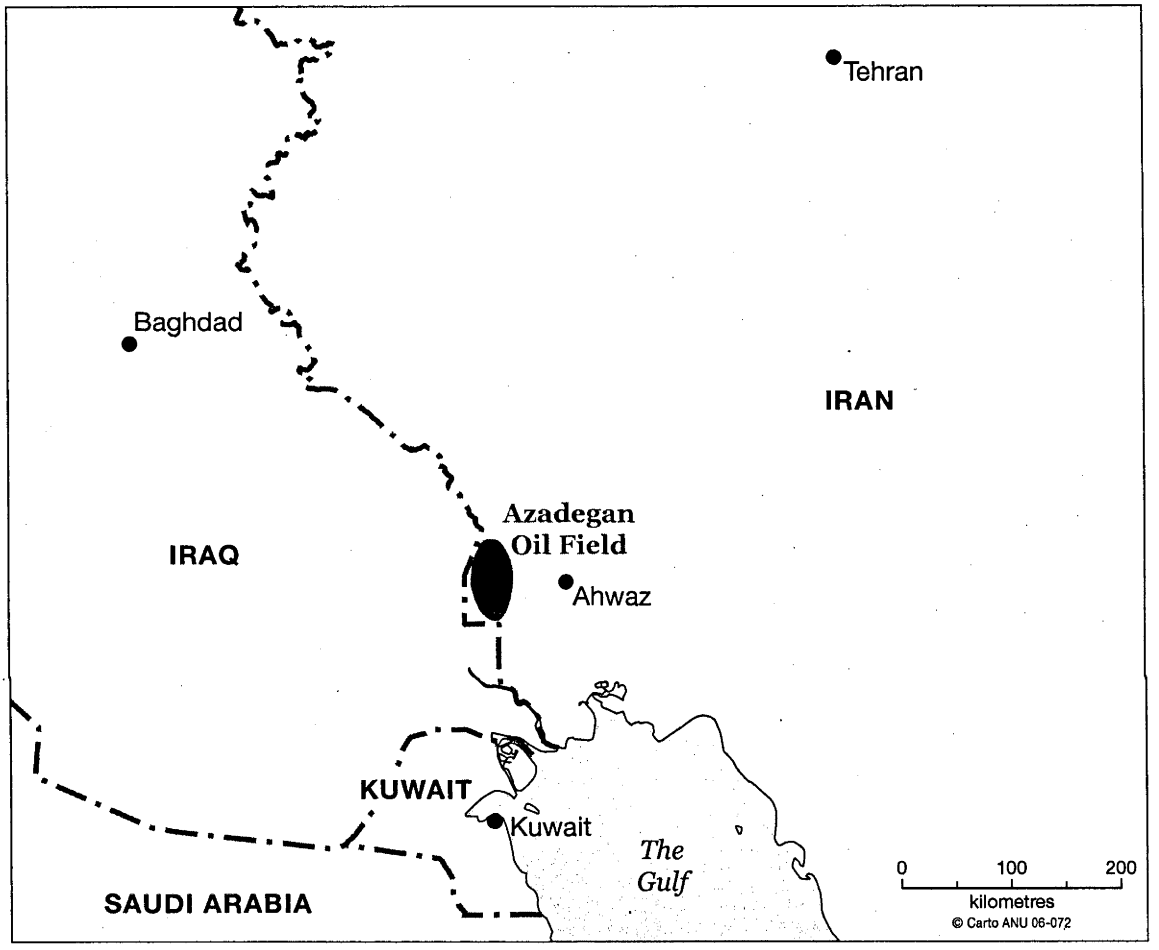
162 "Japan hopes for stronger ties with Iran", *Agence France-Presse*, 17 March 2004; Peter Alford, "Japan the sushi in sandwich between the US and Tehran", *The Australian*, 8 February 2006, p. 40.

163 "Sekiyu Jishu Kaihatsu eno Nagai Michi" (The Long road to independent oil production), *Asahi Shimbun*, Morning edition, 4 April 2004, p. 5; Ōno, "Tachiba ga wakareta Nichibei", p. 94.

164 Anonymous, "US, Japan may collide over Tokyo's Iranian oil overtures", *Oil and Gas Journal*, vol. 98, no. 21, 22 May 2000, p. 30; Yōichi Funabashi, "Japan mustn't lose its footing in politics of oil," *Asahi Shimbun*, 7 July 2003.

165 "Japan Plans Second Iran Loan to Secure Oil amid US Protests", *Iran Expert*, accessed at http://www.iranexpert.com/2004/japan23february.htm, accessed 18 November 2004.

guarantee stability of supply, the Japan Bank for International Co-operation (JBIC) announced on 25 March 2004 that it would grant a loan of US$1.2 billion (jointly with four major Japanese banks) to Iran's National Iranian Oil Company (NIOC).[166] Crucially, this second loan carried a term stipulating that Iran "must make an effort to increase its crude oil supplies to Japan if an emergency erupts in the Middle East",[167] demonstrating the importance of stable supplies of oil.



Map 4.2 Location of the Azadegan oil field.

The sense of urgency to secure the deal was heightened when the Iranian Deputy Foreign Affairs Minister for Asia-Pacific Affairs Mohsen Aminzadeh delivered a message to the Japanese government notifying it of competition from Europe and China to develop Azadegan and not to "miss the bus".[168] In achieving the deal, one Japanese official stated "Of course the US had to say that they were 'disappointed' with the deal

166 Eric Watkins, "Japan gains funding for Azadegan Oil Field Development", *Oil and Gas Journal*, vol. 102, no. 15, 19 April 2004, pp. 26–29, p. 26.

167 Watkins, "Japan gains funding for Azadegan", pp. 26–27.

168 "Sekiyu Jishu Kaihatsu eno Nagai Michi", *Asahi Shimbun*, p. 5.

due to their strong attitude against Iran, but we have continually kept them informed and updated on the Azadegan situation."[169]

In reaching this agreement, Japan needed to overcome strong pressure from the United States. Prime Minister Koizumi revealed to reporters "that President Bush had said to him that there was a limit to his patience" and that "[Bush] tried to hint to Iran how strongly the US was irritated"[170] after a summit meeting with the US President before his trip to North Korea in 2002. US concerns were fourfold:

> [T]he US cites several reasons why it has made...a request [to suspend the development of the Azadegan oil field] to Japan: 1) Japan's continuation of the Azadegan oil project would greatly boost Iran's fiscal revenue and could help that country to promote its nuclear program; 2) it would bolster Iran's national strength and thereby help expand the political power of nuclear weapons; 3) it could disturb international nuclear development; and 4) if a resolution for imposing sanctions on Iran were adopted at the UN Security Council, an embargo on the sale of Iranian oil and a prohibition of oil-related investments in that country would likely be implemented, and in such a case, Japan's project would violate them.[171]

Japan was close to sealing the deal with Iran as early as July 2003, but negotiations came to a standstill because the United States suggested implementing the Iran and Libya Sanction Bill.[172] In the same month, US President George W. Bush raised Japan's involvement with Iran as "a problem" in US-Japan relations in a telephone discussion with Japanese Prime Minister Junichirō Koizumi.[173] Vice-director of the Centre of Strategic and International Studies Patrick M. Cronin also commented that Iran is an issue area where there are gaps in approach between the United States and Japan, and a subject where co-operation is difficult.[174]

Although the Japanese Ministry of Foreign Affairs remained optimistic, oil executives feared that a deal could not be made finalised given such strong negative attitudes from Washington.[175] After Japan concluded its negotiations with Iran, US State Department spokesman Richard Boucher expressed opposition to Inpex Corporation's actions saying that the US government was "concerned about such deals and disappointed that these things might go forward" despite Japan knowing "the

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169 Watkins, "Japan gains funding for Azadegan oil field", p. 29.

170 "Japan-US Summit: Gaps in view on Axis of Evil Issue", *Mainichi Shimbun*.

171 Watkins, "Japan gains funding for Azadegan oil field", p. 29.

172 Kazuyuki Ōno, "Sekiyu wo Kakuho Seyo! Nihon ga Senryaku Daitenkan", ("Secure oil! Japan Changes its Strategy 180 Degrees"), *Shūkan Tōyō Keizai*, vol. 5886, 24 April 2004, pp. 90–95, p. 94.

173 "Sekiyu Jishu Kaihatsu eno Nagai Michi", p. 5.

174 "Busshu 2 no Sekai (6)", (Bush 2's World, part 6), *Yomiuri Shimbun*, Morning edition, 9 January 2005, p. 7.

fundamental concerns about Iran's nuclear developments, about Iran's support for violent groups that oppose the peace process, Iran's harbouring and support of terrorists".[176]

A major factor behind Japan's optimism again lay in the EU's position on its relations with Iran, and the fact that European oil companies were operating without being the targets of US sanctions.[177] Despite US objections, Japan maintained the support of the European Union with regard to the position of engagement with Iran as in past decades. The United Kingdom, France and Germany had negotiated a freeze on uranium enrichment and IAEA inspection in October 2003 and, while the inspections were not implemented smoothly, European nations continue to emphasise the need to nurture the democratic movement led by the reformists in Iran.[178] European and Japanese support for continued engagement, rather than punitive policies of the United States, have in effect isolated the United States on the issue of Iran.

However, more recently, Iran's persistent emphasis on its right to develop nuclear facilities and subsequent US pressures have produced changes in the Japanese position. In February 2006, Japan attempted to use its relations with Iran to encourage it to abandon uranium enrichment before the issue was taken up by the UN Security Council.[179] Japanese Foreign Minister Tarō Asō warned that Iran's nuclear activities were causing a decline in its international credibility and suggested that it accept the Russian offer to provide Iran with the enriched uranium necessary for its nuclear program.[180] However, Iranian President Mahmoud Ahmadinejad rejected these suggestions, emphasising that it was only engaged in "research activities."[181]

Japan consequently began to distance itself from Iran in March, as exemplified by Japan's largest refiner Nippon Oil's decision to curb its purchases of Iranian crude oil by 15 percent for 2006.[182] Government officials have argued that Nippon's decision was a company decision and did not represent an official position of the Japanese government,

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175 Reuters, "Japan's Oil Needs result in slippery relations with US", 8 July, 2003.

176 "Japan Plans Second Iran Loan to Secure Oil amid US Protests", *Iran Expert.*

177 Bayan Rahman and David Pilling, "Japan's Oil Needs result in slippery relations with US", *Financial Times (UK)*, 7 August 2003.

178 "Iran eno Bei Kyōkōsaku ni Usui Shiji" ("Little support for US hard-line strategy towards Iran"), *Asahi Shimbun*, Morning edition, 10 December 2004, p. 8.

179 Peter Alford, "Japan leans on Iran over uranium", *The Australian*, 28 February 2006.

180 Alford, "Japan leans on Iran".

181 Eric Watkins, "Nuclear Iran worries Japan", *Oil and Gas Journal*, vol. 104, issue 11, 20 March 2006, p. 31.

182 "Japan curbs Iran oil imports over nuclear concerns", *Financial Times*, 15 March 2006.

while analysts at Deutsche Bank have assessed this move as an "ad hoc sanction", suggesting that it was not a manifestation of changes in long-term policy.[183] Nippon Oil's decision came at a time when the US Congress was preparing to pass a bill calling for tighter sanctions on Iran and stipulating the requirements for investigations of suspected investments in Iran.[184] This bill, passed in April 2006, replaced the 1996 Iran and Libya Sanctions Act. Section 206 urges government and private sector investors to deny companies investing more than US$20 million into Iran's petroleum sector.[185]

Japan's cautious actions suggest its realisation that should discussions at the UN Security Council fail, further discussions of sanctions on Iran might be led by the United States.[186] However, Japan did not voice a strong stance on economic sanctions when the United Nations Security Council adopted Resolution 1696 regarding Iran's refusal to halt its nuclear development[187] and, despite Tehran's refusal to stop uranium enrichment, the development of the Azadegan oil field continues.[188]

Thus, the context of the 11 September 2001 attacks and the "War on Terror" again signify an intensified crisis situation in which the United States has strongly reasserted its hard-line position toward Iran. While Japan has maintained its autonomous position of engagement with Iran and undertaken negotiations to develop the Azadegan oil field, US pressures and concerns over Iranian nuclear development has seen Japan modify its activities through gestures of appeasement toward the United States, such as Asō's calls for halting uranium enrichment, and the diminished crude oil importations of Nippon Oil. These changes in Japan's policies demonstrate that, while sustaining a long-term policy of engagement with Iran, in the short-term, the Japanese government can neither

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183 "Japan curbs Iran oil imports over nuclear concerns" *Financial Times*.

184 "US Congressional Committee approves Iran democracy promotion legislation", *Foundation for Democracy in Iran*, http:www.iran.org/news/2005_04_14ifsa.htm, accessed 9 May 2006; Iran Freedom Support Act H.R. 282, Library of Congress, http://thomas.loc.gov/cgi-bin/query/F?c109:3:./temp/~c109xbMkUk:e4612:, accessed 9 May 2006.

185 Freedom Support Act H.R. 282, *Library of Congress*.

186 "Kaku Mondai de Bei Gein Hōan Iran Tōshi Kigyō ni Seisai mo, Nihon eno Eikyō mo Hisshi" ("Bill in US House of Representatives, Sanctions on Investment Companies in Iran, Affect on Japan Unavoidable"), *Fuji-Sankei Business-I*, 16 March 2006.

187 Press Conference by Foreign Minister Tarō Asō, *Ministry of Foreign Affairs Japan Website*, http://www.mofa.go.jp/announce/fm_press/2006/8/0801.html, accessed 17 September 2006; "Security Council Demands Iran suspend Uranium Enrichment by 31 August or face possible Economic, Diplomatic Sanctions, *United Nations Security Council News*, No. SC 8792, 31 July 2006, http://www.un.org/News/Press/docs/2006/sc8792.doc.htm, accessed 17 September 2006; "UNSC adopts resolution on Iran, but sanctions a way off", *Nihon Keizai Shimbun*, 1 August 2006.

188 Hideki Aoda, "Nichinomaru Yuden" Kaihatsu Chakushu Rakkan Iran Sekiyushō" ("Japan's oil field development have begun and optimistic, says Iranian Energy Minister"), *Asahi Shimbun*, 13 September 2006, p. 10.

ignore the Bush administration's policy on Iran nor those autonomous initiatives that continue to be restricted by broader US interests.

Conclusion: "There is No Alliance on the Issue of Oil"?[189]

This chapter reveals that Japan's policy toward Iran following the Second World War has been one area where autonomy is most obviously demonstrated in policy, actions, and language. Ever since the oil crisis of the early 1970s, Japanese policy has advocated "autonomy" and "independence" in its policies in the Middle East and Iran, under the catch-phrase of *dokuji gaikō* (independent diplomacy). Advocates of *dokuji gaikō* argue that Japan's Iran and Middle East policy should consist of engagement with Iran to influence change in Iranian policy without necessarily changing the Islamic regime, and also mediating in negotiations between the United States and Iran. In practice, Japan has largely followed this policy line for three decades, and has maintained relations with Iran throughout this period, despite pressure to the contrary from the United States.

This autonomous position of engagement with Iran was an essential part of Japan's energy policy to secure stable oil supplies. However, the issue of oil was also strategically and economically important for the United States, as demonstrated in its decision not to allocate any of its oil supplies to Japan during the first oil crisis. Consequently, it was no surprise that a senior Japanese bureaucrat in the Japanese Energy Agency remarked, "there is no alliance on the issue of oil".[190] Oil diplomacy was an issue that seemingly put the United States and Japan in direct competition with each other, and securing stable and independent oil supplies from non-major US oil companies was a major goal for Japan. However, this chapter also shows that Japan's autonomous policy did not necessarily signify the pursuit of zero-sum interests with the United States, but rather remained within the broader interests and framework of the US-Japan alliance. This fact was acknowledged by the United States when it recognised the utility of Japan's relations with Iran as a communication channel.

Despite the benefits to the United States of Japan's good relations with Iran, it was nonetheless difficult for Japan to balance its interests in Iran with its other crucial interest in maintaining the alliance relationship with the United States. Therefore,

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189 Japanese Energy Agency, Ministry of Economy, Trade and Industry executive statement, as quoted in "Sekiyu Jishu Kaihatsu eno Nagai Michi", *Asahi Shimbun*.

190 "Sekiyu Jishu Kaihatsu eno Nagai Michi", *Asahi Shimbun*.

Japan's Iran policy periodically conceded to US pressure and recognised that its relations with the United States were more important than securing stable oil supplies. While Japan's long-term goals were quite independent from the United States on the issue of oil and Iran, at the same time it clearly faced short-term pressures and restrictions imposed by its relations with the United States. Accordingly, Japan's autonomy cannot always be explained as an outcome of a sovereign state's freedom and independence of choice in policy implementation relative to its capabilities. Rather, Japan-Iran relations showed that Japan's decisions were affected by its identity as a subordinate partner to the United States under US hegemony. Japan needed to frequently negotiate with the United States and demonstrate that polices contrary to the US line were within the boundaries of US hegemony and that, therefore, autonomous policies did not signify a challenge to the US-Japan alliance or the US position in the Middle East.

This chapter set out to investigate the many ways in which the United States presented obstacles for Japan's relations with Iran throughout the post-1945 period. It set out to answer three specific questions: why Japan continually chose to engage with Iran, even at the risk of conflicting with US policy; how the United States interpreted autonomous Japanese policy; and how the Japanese government overcame US pressures so as to maintain Japan's autonomous position on relations with Iran?

Firstly, as mentioned above, Japan consistently maintained a policy of engagement with Iran for the entire post-Second World War period in order to ensure that it had a stable supply of oil. The issue of oil was closely related to the ability of Japan to sustain domestic economic stability and international influence as an economic power, thus making it an area beyond compromise for policymakers. However, in reality, Japan could not secure autonomous oil supplies without taking into account pressure from the United States to co-ordinate its policies. Therefore, because of the importance of the United States to Japan, the pursuit of an autonomous policy toward Iran also had to be consistently within the context of the US-Japan alliance, and Japan made strenuous efforts to accommodate US interests, and to ensure its policies were not perceived as a move away from US hegemony. To demonstrate this, during the US hostage crisis after the Iranian Revolution from late 1979 to early 1981, Japan was pressured to disengage with Iran, with the United States saying that Japan was "insensitive" by purchasing Iranian oil at a high price when the United States was taking various economic measures

to solve the hostage crisis. Japan was also criticised for not pressuring Iran to repay its financial debts. In the 1990s, Japan was also forced to postpone its yen loans in response to US pressure. More recently, Japan's largest, most ambitious and controversial dealings with Iran, the Azadegan oil field development project, have come under US pressure, particularly from the heightened tensions of the "War on Terror". The US Congress is preparing to pass a bill calling for tighter sanctions on Iran and stipulating the requirements for investigations of suspected investments in Iran. As a consequence, Japan's largest refiner, Nippon Oil, began to distance itself from Iran by curbing purchases of Iranian crude oil by 15 percent.

Secondly, how did the United States interpret Japan's autonomous position with regard to Iran? While US-Iran relations have been consistently acrimonious from the 1970s onwards, whether Japan's autonomous Iran policy was perceived positively or negatively by the United States largely depended on whether US relations with Iran were facing crisis. Japan's policies towards Iran were most contentious and at odds with those of the United States during the US hostage crisis, and also in the current context of the "War on Terror". These two periods have revealed the most vocal expressions of US discontent in relation to Japan's Iran policy, because the United States has interpreted such moves by Japan as trying to profit economically from its relationship with a "rogue state". In these instances, the United States has perceived Japan as fundamentally prioritising mercantilist interests, and questioned Japan's loyalty to its alliance with the United States.

Finally, how did Japan overcome US pressures to maintain its long-term policy goal of continued engagement with Iran? Japan overcame the restrictions of US hegemony in its relations with Iran in several ways. Firstly, it made sure that its relations with Iran were useful to the US-Japan alliance. Japan held significant leverage over the United States precisely because it engaged with Iran, rather than following the US line of severing or limiting its diplomatic ties. As one of the few countries in the G7 that has maintained good relations with Iran, Japan's engagement with Iran ultimately works in the favour of the United States. The United States can utilise the information and communication channels that Japan has cultivated, while maintaining its own hard-line rhetoric. Japan's lack of colonial intervention in the region also enabled it to play a positive and autonomous role in the region, and Japan indeed often served as a mediator between Iran and the United States—sometimes successfully, and sometimes less so—

yet not to the detriment of the US-Japan alliance. This was particularly true during the 1980s when Japan was approached by both Iran and Iraq to be involved in brokering a ceasefire for the Iran-Iraq War. Therefore, Japan's oil diplomacy and the autonomous development and production of oil supplies are strong examples of Japan asserting its autonomy within the context of the US-Japan alliance.

Secondly, to achieve this autonomous line, Japan has relied heavily on the support of its European counterparts in taking an alternative position to the United States. Particularly, during the US Embassy hostage crisis, Japan resisted US pressure to condemn Iran by following the European example and recalling diplomatic representation in Tehran, rather than completely severing diplomatic relations.

Thirdly, Japan has also been able to overcome US pressure and pursue a policy of engagement with Iran because the United States itself was not willing to relinquish its own oil supplies during the oil crisis. In adopting this position, the United States consequently had to unofficially grant Japan leeway for autonomy on oil diplomacy, its relations with Iran and the Middle East in general. While Japan's engagement may have seemed to undermine the unity between the allies behind the hard-line US position on Iran, if Japan, the second largest global economy, failed to guarantee a stable supply of oil, this would have significant repercussions on the US and global economy.

Finally, and most importantly, while Japan emphasises the positive light in which it is received in Iran and the Middle East, the other side of the same coin is the lack of real influence it has in the region. A glimpse of this was seen when Japan was snubbed in the first oil crisis by Arab states, unable to make the list of "friendly nations" to which the oil-producing Arab states would continue supplying oil. In other words, while Japan has economic influence in the Middle East through infrastructure development and trade, and has expressed some political interest in the region through hosting official conferences, it is by no means a major power in the region vying for influence.[191] Indeed, a position of greater influence would be difficult for Japan, as the political instability of the region might oblige it to have a greater military presence. Therefore, Japan's economic investment and political initiative in the Middle East has significantly different overtones from economic investment and political initiatives in Asia. Japan is a viable leadership contender in Asia, but not a realistic leader, mediator or power in the

[191] Masayuki Yamauchi, "Wahei Purosesu *ni Nihon wa Nani ga Dekiruka" Gaikō Fōramu*, vol. 10, no. 2, February 1997, pp. 16–29, p. 28.

Middle East in the way the United States is. Therefore, Japan is not seen as a major threat to US hegemony in the Middle East.

In answering these three questions, Japan-Iran relations can be seen as an example of how Japan exercises a limited form of autonomy that is sensitive to external influences. In the example of its relations with Iran, Japan maintained a continuing position of engagement with Iran, but frequently demonstrated its commitment to the US-Japan alliance, and signalled to the United States that its different position on Iran did not signify movement away from the partnership. While Japan's Iran policy took a different policy position to the United States, it nonetheless remained committed to the US-Japan alliance and conducted it within US hegemony. The United States also recognised that Japan required alternative avenues for securing oil supplies, and "allowed" Japan to pursue these policies, but this situation is becoming increasingly pressured. Furthermore, Japan proved the utility of its relationship with Iran within this hegemonic relationship, which ensured it enough leverage within the US hegemonic system and thus was not completely "nautonomous" in its relationship with the United States. Therefore, not only did Japan sustain an autonomous Iran policy within US hegemony, these policies did not balance US power in the region in anyway, as realists might argue. However, its restrictions clearly demonstrate that autonomy in Japanese foreign policy is not executed with the freedom and independence of behaviour which rationalist theories often assume.

The next chapter continues the investigation of specific examples of limited autonomy through the analysis of Japan's Asian Monetary Fund proposal in 1997. The proposal represents a crushing blow to an initiative in Japan's strongest and most competent field—financial issues—due to US concerns over financial influence in the East Asian region.

CHAPTER FIVE

A CLASH OF ECONOMIC IDEOLOGIES? JAPANESE REGIONAL FINANCIAL AND MONETARY INITIATIVES IN THE WAKE OF THE ASIAN MONETARY FUND PROPOSAL

The previous chapter explored how restricted autonomy in Japanese foreign policy unfolded in Japan-Iran relations during the post-Second World War period in the context of its subordinate position under US hegemony. This chapter explores restricted Japanese autonomy further through an examination of the Asian Monetary Fund (AMF) proposal of 1997. It analyses how the proposal was ultimately sensitive to US and International Monetary Fund (IMF) criticism, and thus how autonomy is more limited in the practice of Japanese foreign policy. The AMF proposal also shows that Japan nonetheless remains committed to the US-Japan alliance and within US hegemony in general because both Japan and Asian region as a whole stood to benefit from US political, economical and military influence. Thus Japan's post-1945 identity in international relations as a subordinate partner to the United States under US hegemony again affected the way in which it practised autonomy. In particular, it seeks to answer three specific questions: why Japan made such a controversial proposal that outwardly challenged US and IMF influence in the region; how the United States and the IMF perceived the AMF proposal; and how Japan overcame strong US objections in order to keep the AMF vision alive.

The example of the AMF differs from Japan's relations with Iran in more than one respect. Japan-Iran relations were a bilateral issue of resource diplomacy, whereas the AMF proposal concerned regional monetary policy. The focus and scope of the two examples also differ, as Chapter Four discussed Japan's restricted autonomy within US strategy towards Iran since the Second World War, whereas the analysis of restricted autonomy in the AMF example covers a decade, and also assesses autonomous policies in the ongoing and future projections of a potential AMF. However, Japan's relations with Iran and the AMF proposal also share some crucial similarities. Firstly, although realists may argue that, because of its economic power, Japan would have greater freedom in formulating economic policies that conflict with those of the United States, the example of the AMF demonstrates that Japan also faced similar restrictions imposed by the United States in this area as it did in Japan-Iran relations, suggesting parallels

between the two cases. Indeed, it can be argued that, in this case, Japan was operating under even greater restrictions placed on it because of its significant influence in economic and monetary areas which could see it pose a credible challenge to the United States in the region. Furthermore, international economic relations, particularly in the case of Japan, are generally an outlet for its strategic and political positioning in international relations, and should be analysed with this in mind. Secondly, while the AMF proposal was quickly quashed by the United States, the objections were overcome by establishing regional monetary networks that essentially modified the AMF proposal to appease the United States. The modified monetary initiatives made in the wake of the AMF proposal also share a similar pattern of process with Japan-Iran relations in that they proceeded, despite US objections. Therefore, both are examples which show the need for Japan to balance the interests of the United States with its own interests, while at the same time sustaining autonomous foreign economic policy within these limits. In addition, unlike the US perspectives at the time, the AMF and the subsequent regional monetary networks established afterwards were definitely moves away from US financial influence, but not necessarily against overall US hegemony in the region. Therefore, because of Japan's continued concerns over its position vis-à-vis the United States, the facets of Japan's autonomy that were manifest in the AMF proposal and the regional monetary arranges that followed were restricted, yet not examples of nautonomy.

The Asian Monetary Fund was a proposal that was strongly driven by a single person, Eisuke Sakakibara, the then Vice Minister for International Finance in the Ministry of Finance, and an element of its failure was not just US opposition, but also a lack of domestic support. Whilst Sakakibara's un-Japanese personality sometimes alienated him from the rest of Japanese bureaucracy, he sought to establish and strengthen a Japanese economic and financial identity that was not reliant on "the universal value of Americanism".[1] Sakakibara's attitude toward US financial hegemony as manifested in his Asian Monetary Fund proposal is a fascinating and important example for this investigation of Japanese autonomy. Although controversial in his delivery, this thesis argues that Sakakibara's AMF proposal presents an example that grapples with the kinds of questions and tensions between internal and external ideas

[1] Edmund L. Andrews, "Blunt-Spoken Economist is Japan's Mr. Yen", *The New York Times*, 16 September 1995. Sakakibara has been described as "[taking] a distinctly un-Japanese enjoyment in provoking heated arguments".

that Japanese political philosophers dealt with in the face of modernity, and searches for a Japanese practice of state autonomy. Thus, although his ideas or his view of Japanese and US financial values may not have been widely accepted in the Japanese Ministry of Finance at the time, it is still a pertinent example for this study.

The chapter addresses the above questions by first briefly following the background circumstances to the AMF proposal. It analyses the development of the Asian financial crisis and its aftermath in order to highlight the differences in responses between Japan, the IMF and the United States. This background is important because it draws attention to the deeper implications of these diverging responses, such as residual US suspicion toward Japan and economic regionalism from the East Asian Economic Caucus proposal of the early 1990s, and also fundamentally different development philosophies.[2] Finally, it covers how Japan dealt with the rejection of the proposal and discusses the significance of the ensuing regional monetary networks, which demonstrate the tenacity of Japanese autonomous economic initiatives and vision in the region even after the quashing of the AMF proposal.

In discussing the AMF, a few clarifications are necessary. The Asian financial crisis has also been referred to as the East Asian financial crisis (despite originating in Thailand), and the Asian Monetary Fund has also often been discussed in the context of an "East Asian" monetary scheme. However, in most of these contexts, the geographical area of reference is consistent with the Association of Southeast Asian Nations (ASEAN) +3 states—Brunei, Cambodia, Indonesia, Laos, Malaysia, Burma, the Philippines, Singapore, Thailand and Vietnam, plus China, Japan and South Korea. This chapter refers to this region as "Asia", and therefore, in this case, does not include Australia, South Asia or the Middle East.

The Asian Monetary Fund Proposal

The following section discusses the AMF proposal in detail, covering the history of a unified regional monetary institution within the Japanese government in the post-1945 period, and demonstrating that Japan's proposal in 1997 was not as impromptu as had been suggested at the time. It also shows that the discussion of whether or not to include the United States had been a long-standing issue in relation to the proposal.

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[2] John Williamson, (ed) *Latin American Adjustment: How Much has Happened?*, Washington D.C., Institute for International Economics, 1990.

Despite the perception that it was an ill-planned idea at the time, when the Japanese proposed an Asian Monetary Fund in 1997 it was not the first time such a suggestion had surfaced.[3] The idea for creating a regional monetary fund first arose as early as 1966 with the establishment of the Asian Development Bank (ADB). Proponents of the idea suggested that an IMF equivalent in Asia would complement the activities of the ADB in the same way that the IMF complemented the activities of the World Bank.[4] However, the idea did not take root because the founding actors of the ADB had difficulty in articulating clearly the role that a regional monetary fund would play.[5] Furthermore, in the early years of the ADB, the pattern of currency crises seemed to suggest that such crises were limited to industrialised countries, which discounted most of Asia at the time.[6]

The idea of an AMF resurfaced again in the late 1980s when Asia's emerging markets began to attract capital and, by 1995, it had progressed to become the focus of regular private forums amongst a group of incumbent and former Ministry of Finance (MOF) officials.[7] Even at this point, there were varying views on the membership of the AMF; the primary difference being over whether or not the United States should be included. Some MOF officials had negative views about US dominance in the IMF and saw the United States in the area of finance as more as a competitor that worked against Japanese national interests in Asia. Others in the ministry felt that the United States ought to be included in a regional fund, viewing it as more of a co-operative ally in the region.[8] Thus, the Asian Monetary Fund proposal of September 1997 already had a contentious history over the issue of US membership. Japan argued that the 1997 proposal was not communicated to the United States as it did not participate in the Thai bailout, and because Japan believed that the United States would only accept an AMF, albeit reluctantly, in the situation of a *fait accompli*.[9]

Eisuke Sakakibara, who was a particularly strong advocate of the AMF, stated that Toyoo Gyōten and Hajime Shinohara of the Institute for International Monetary Affairs

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3 Phillip Y. Lipscy, "Japan's Asian Monetary Fund Proposal", *Stanford Journal of East Asian Affairs*, vol. 3, no. 1, Spring, 2003, pp 93–104, p. 94.

4 Lipscy, "Japan's Asian Monetary Proposal", p. 94.

5 Amyx, "Moving Beyond Bilateralism?", p. 4.

6 Amyx, "Moving Beyond Bilateralism?", p. 4.

7 Amyx, "Moving Beyond Bilateralism?", p. 5.

8 Amyx, "Moving Beyond Bilateralism?", p. 5.

9 Haruhiko Kuroda, *Gen Kiriage (Appreciating the Yuan)*, Tokyo, Nikkei BP Shoten, 2004, p. 62; Lipscy, "Japan's Asian Monetary Fund Proposal", p. 95.

worked in close collaboration with Haruhiko Kuroda, the then Director of the International Bureau of the Ministry of Finance, to formulate the AMF proposal. Gyōten and Shinohara also discussed the idea for a regional monetary organisation, or an "Asian Monetary Organisation" in 1996 after Mexico's rescue package from the United States and the IMF,[10] on the assumption that the United States would not act as quickly or on such a scale in any crisis arising in Asia.[11] An impetus to progress the AMF idea arose after the Asian financial crisis in July 1997, particularly because the IMF alone was unable to provide funds sufficient to rescue the nation from the throes of the crisis.[12]

The original Japanese AMF proposal was presented at the G7 gathering of finance ministers and central bankers just prior to the IMF meeting in Hong Kong in September 1997.[13] The then Japanese Finance Minister Hiroshi Mitsuzuka proposed to establish a fund of US$100 billion from contributions by member countries (China, Hong Kong, Japan, South Korea, Australia, Indonesia, Malaysia, Singapore, Thailand and the Philippines) that could be dispersed quickly to members or institutions without the cumbersome decision-making procedures of the IMF.[14] The potential speed for responding to crises through such a fund would help reduce the decline of confidence in the region and curtail the effects of crisis situations. It was reported later that Japan intended to contribute US$50 billion to the fund.[15]

The IMF traditionally set the limits of its rescue packages to four to five times the amount of a member's quota, but Sakakibara argued that the AMF could potentially respond with greater flexibility than the IMF because it would not be bound by the IMF's limit on the size of rescue packages.[16] He also argued that the establishment of an AMF would mean pooled reserves and automated commitments and consequently cut

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10 Eisuke Sakakibara, *Nihon to Sekai ga Furueta Hi (The Day that shook Japan and the World)*, Tokyo, Chūō Kōron Shinsha, 2000, p. 182. Also see Hajime Shinohara, "Chiiki kyōryoku to shite no Ajia Tsūka Kikō" ("An Asian Monetary Fund for Regional Co-operation"), *Nihon Keizai Kenkyū Sentā Kaihō (Japan Centre for Economic Research Bulletin)*, 1 December 1996, pp. 4–9, and Tsutomu Kikuchi, "East Asian Regionalism: A Look at the 'ASEAN plus Three' Framework", *Japan Review of International Affairs*, vol. 16, no. 1, Spring 2002, pp. 23–45, p. 26.

11 Shinohara, "Chiiki kyōryoku", p. 5.

12 Lipscy, "Japan's Asian Monetary Fund Proposal", p. 93.

13 Lipscy, "Japan's Asian Monetary Fund Proposal", p. 93.

14 Eric Altbach, "The Asian Monetary Fund Proposal: A Case Study of Japanese Regional Leadership", *Japan Economic Institute Report*, no. 47, 19 December 1997, http://www.jei.org/Archieve/JEIR97/9747f.html#japan, accessed 3 September 2004; Anthony Rowley, *Capital Trends*, vol. 2, no. 13, Washington D.C., Nikkō Research Center (America) Inc, November 1997, http://www.bu.edu/wgrimes/Thai6.html, accessed 26 August 2006.

15 "'Ajia Tsūka Kikin' Kōsō Nihon ga 500 Oku Doru Kyoshutsu e" ("The 'Asian Monetary Fund' Plan: Japan Contributes 50 Billion US Dollars"), *Sankei Shimbun*, 9 October 1997.

down on the time-consuming consensus building and negotiation needed to create a rescue package in the wake of a financial crisis.[17] He also hinted that the AMF might have less stringent conditions for receiving help and prescribe less drastic reforms, which proved popular among most regional finance ministers when Sakakibara raised it in informal discussions in August and September 1997.[18]

The proposal came as a surprise to many, because Japan had unusually put itself in direct competition with the United States and a US-dominated international organisation. It was also unexpected—particularly as it had originated from the Ministry of Finance, typically a conservative and cautious sector of the Japanese bureaucracy. The fact that the proposal became so publicly controversial was also attributed to the leadership styles of Kuroda and particularly Sakakibara. Phillip Lipscy argues that Sakakibara's leadership in the AMF issue was crucial and that "more traditional MOF bureaucrats probably would have shied away from the sheer possibility that [an AMF proposal] would collide with the US Treasury and the IMF."[19] While Sakakibara's leadership and the timing of the crisis were certainly strong factors in the AMF being forcefully propelled into the regional discussion fora, a regional monetary fund was nonetheless a plan that had existed in the background of the Japanese financial world for almost three decades, and was a long-term goal in Japanese regional financial policy, rather than a project solely driven by Sakakibara.

Therefore, while the AMF proposal was seen as an idea that was not very well thought through and driven by a few strong personalities in the Japanese government, it was a concept with a long history of discussion in the Japanese government. Sakakibara, Kuroda, Gyōten and Shinohara accurately predicted before the Asian financial crisis that the response of the IMF and the United States might not be as efficient or as adequate as the situation might required, signalling to them that the AMF proposal was genuinely needed in the region.

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16 P. Rapkin, "The United States, Japan and the power to block: the APEC and AMF cases", *The Pacific Review*, vol. 14, no. 3, 2001, pp. 373–410, p. 395.

17 Altbach, "The Asian Monetary Proposal".

18 Altbach, "The Asian Monetary Proposal".

19 Lipscy, "Japan's Asian Monetary Fund Proposal", p. 95.

Japan's Asian Monetary Fund Proposal: The Asian Financial Crisis and the responses of the United States and the IMF

The Asian Financial Crisis

"The Asian Financial Crisis was of significant gravity that, in the words of Benjamin J. Cohen...it 'provided one of those rare watershed moments when conventional wisdom could be seriously challenged'."[20] This quote gives the first clue as to why Japan made the contentious AMF proposal. The crisis suddenly raised several important issues, such as the crucial need to reconsider global financial structures, the need for a reassessment of the nature of capital flows, and the necessity for effective regulatory and supervisory frameworks in financial and corporate sectors of the emerging economies of Asia. However, more importantly, it was also a vital turning point in considering whether alternative financial and monetary solutions were necessary in the region, and readdressing some shortfalls of the IMF. As a consequence, the crisis itself was an important motivating factor behind Japan's autonomous AMF proposal.

Thailand, Indonesia, the Philippines, Malaysia and South Korea, which were the worst affected countries in the Asian financial crisis, all had relatively strong macroeconomic systems, strong export sectors and no serious inflation. Therefore, they did not show the typical signs that forewarn financial instability.[21] For example, Thailand was actively encouraging foreign investment, and was experiencing high economic growth in the early 1990s—an annual growth rate of 8 percent.[22] However, when this economic bubble burst, and share prices and real estate prices fell significantly in 1996, the Asian financial crisis ensued.[23] By 13 May 1997, problems in Thailand's economy were revealed[24] and it faced a decline in exports as well as a sudden withdrawal of large amounts of international capital as domestic and foreign investors

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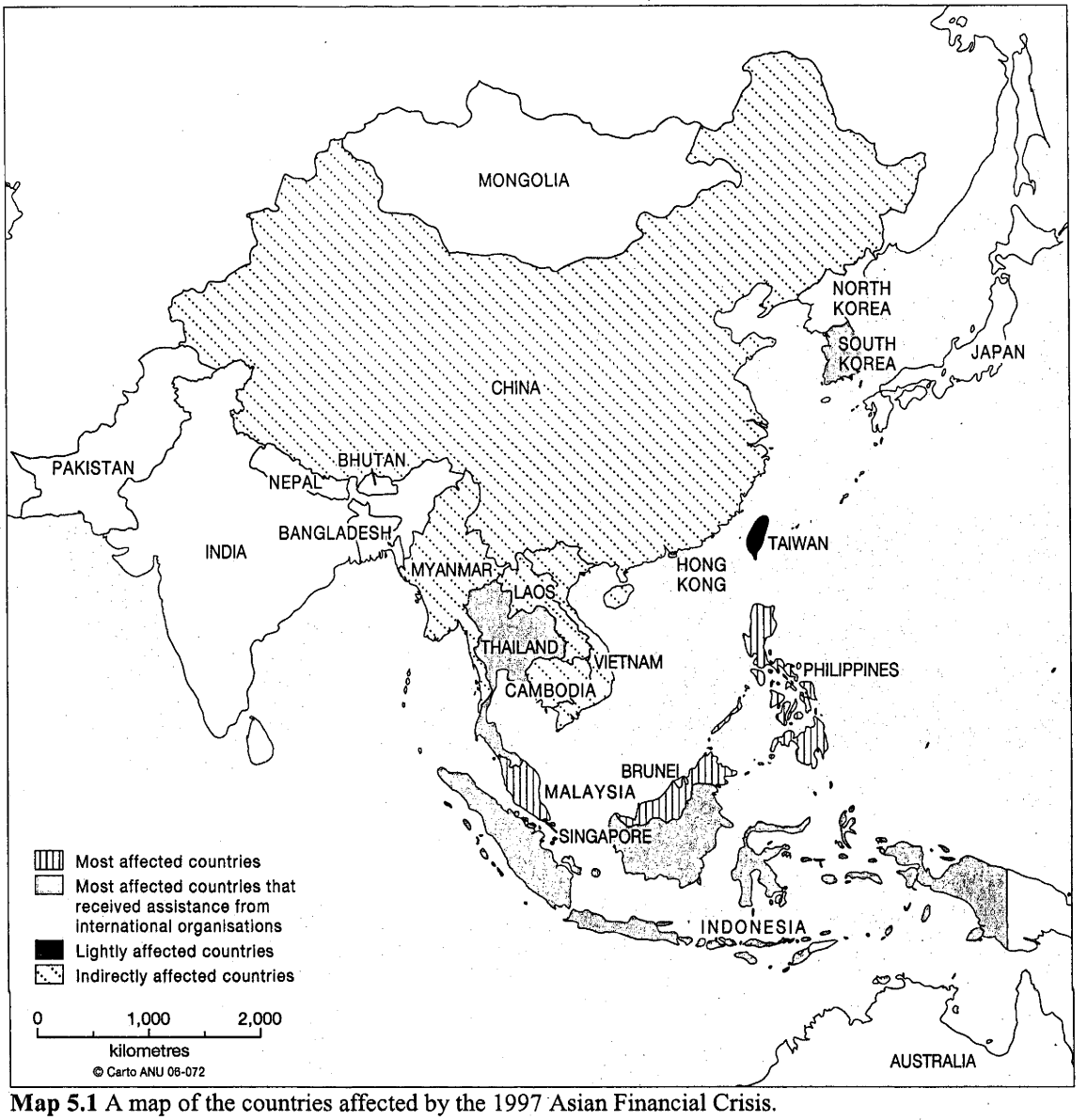
20 G.W. Noble and J. Ravenhill, "Causes and Consequences of the Asian Financial Crisis", Gregory W. Noble and John Ravenhill, *The Asian Financial Crisis and the Architecture of Global Finance*, Cambridge, Cambridge University Press, 2000, pp. 1–35, p. 34.

21 Noble and Ravenhill, "Causes and Consequences", p. 34.

22 Takehiko Kondō, Seiya Nakajima, Yasushi Hayashi (eds.), *Ajia Tsūka Kiki no Keizaigaku (The Economics of the Asian Financial Crisis)*, Tokyo, Marui Kōbun, 1998, p. 19; Yoshihisa Ōnishi, *Ajia Kyōtsū Tsūka: Jitsugen eno Michishirube (An Asian Common Currency: Signposts for its Realisation)*, Tokyo, Sōsōsha, 2005, p. 80.

23 Charles S. Lee, "Not Again: Will South Korea go Thailand's way?", *Far Eastern Economic Review*, vol. 61, 4 September 1997, p. 9.

24 Ōnishi, *Ajia Kyōtsū Tsūka*, pp. 77–78; Lee, "Not Again", p. 9, and Kenta Tsukada, "Sengo 60nen no Genten: Gekidō no En/Doru, Puraza Gōi kara 20nen (5) Baburu go mo Kyūtō" ("The Origins of 60



Map 5.1 A map of the countries affected by the 1997 Asian Financial Crisis.

lost confidence in the Thai baht.[25] This led to doubts about whether the Thai government could maintain the pegged exchange rate between the Thai baht and the US dollar, and revealed weaknesses in Thailand's foreign exchange rates mechanisms. The Thai government tried to defend the baht by intervening in the market, but eventually floated the currency on 2 July 1997 and sought IMF assistance on 28 July of the same year.[26] This set off a chain reaction in Asia, as cautious investors withdrew investment from other Asian economies with similar characteristics, causing the crisis to spread to Indonesia, the Philippines, Malaysia and Korea. To some degree each of these countries experienced the same cycle of dramatic currency depreciation, financial system failures

Years Post-War: The Yen/Dollar in Turmoil, 20 Years from the Plaza Accords (5) Sharp Rises even after the Bubble"), *Mainichi Shimbun*, 27 September 2005.

25 Nidhiprabha Bhanupong, "Economic Crises and Debt-Inflation Episodes in Thailand", *ASEAN Economic Bulletin*, vol. 15, no. 3, pp. 301–18, p. 311.

26 Noble and Ravenhill, "Causes and Consequences", p. 2.

and stock market collapse. In Indonesia, which had the largest foreign debt in Asia at the time (US$13 billion), the rupiah fell almost 30 percent in value against the US dollar following the events of July in Thailand,[27] which led to the floating of the rupiah on 14 August and request for IMF assistance on 8 October.[28] Other economies in the region, such as Hong Kong, Taiwan and China, were also affected by the crisis indirectly through trade.[29]

At first, the causes of the crisis were blamed on "crony capitalism" particular to the Asian region—close government ties with business elites, regulations based on relations rather than rules, and states giving implicit or explicit guarantees that encouraged businesses to engage in unduly risky behaviour.[30] However, as the crisis spread beyond Asia to Russia and Brazil, the effectiveness and stability of the contemporary global financial system itself also came into question. Richard P. Cronin summarises the situation as follows:

> Economists and financial analysts differ somewhat over the exact causes of the collapse of currency and stock values and the likely severity and length of the setback for East Asia's much vaunted economic dynamism. While each economy's situation is distinct, most explanations for the crisis center around a combination of factors including:
>
> - excessive reliance on foreign borrowing by business enterprises and banks, and especially over-dependence on short-term debt;
> - over investment in real estate and excess manufacturing capacity;
> - inadequate supervision of financial institutions and politically influenced allocations of credit to unsound companies;
> - overly expansive fiscal and macroeconomic policies in several countries; and
> - declining terms of trade for countries whose currencies have been pegged closely to the U.S. dollar, which has been strengthening against the Japanese yen[31]

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27 Altbach, "The Asian Monetary Fund".

28 Kondō, Nakajima, Hayashi (eds.), *Ajia Tsūka Kiki no Keizaigaku*, pp. 22–23.

29 Saori N. Katada, "Japan's Counterweight Strategy: US-Japan Cooperation and Competition in International Finance" in Ellis S. Krauss and T.J. Pempel (eds.), *Beyond Bilateralism: US-Japan Relations in the New Asia-Pacific*, Stanford, Stanford University Press, 2004, pp. 176–197, p. 179; Kondō, Nakajima, Hayashi (eds.), *Ajia Tsūka Kiki no Keizaigaku* pp. 22–23.

30 Saori N. Katada, "Japan and Asian Monetary Regionalisation: Cultivating a New Regional Leadership after the Asian Financial Crisis", *Geopolitics*, vol. 7, no. 1, Summer 2002, pp. 85–112, p. 89; Noble and Ravenhill, "Causes and Consequences", p. 8.

31 Richard P. Cronin, "Asian Financial Crisis: An Analysis of U.S. Foreign Policy Interests and Opinions", *CRS Report for Congress*, no. 98-74, 28 January 1998, http://ncseonline.org/NLE/CRSreports/economics/econ-56.cfm, accessed 28 August 2004.

From the mid-1980s to the mid-1990s, large inflows of capital—particularly long-term capital such as foreign direct investment—helped to finance Asia's rapid economic development and growth. In the several years leading up to the crisis, however, countries had received large inflows of unhedged, short-term capital to finance long-term projects, particularly in real estate.[32] This situation was stable while the foreign lenders were willing to roll their loans over and real estate markets were strong, but stagnation in the market and exports resulted in a rapid build-up of non-performing loans.[33] As a result, the ratios of short-term external debt to foreign exchange reserves rose to the point where doubts surfaced whether the loans could be repaid, and led to the rapid outflow of foreign capital.[34]

Consequently, the crisis heightened general awareness of some crucial issues concerning global financial structures, including an acknowledgement of regional domestic weaknesses—weaknesses which Japan thought could potentially be redressed by an institution like the AMF. Furthermore, there was no full understanding of the implications or the scope and magnitude of short-term capital flows, as well as a lack of concern over the volatile nature of capital flows.[35] The crisis also accentuated the necessity for effective regulatory and supervisory frameworks in the financial and corporate sectors of the emerging economies of Asia.[36] The Asian financial crisis therefore demonstrated that financial and monetary mechanisms could not be relied upon in their existing conditions, and that greater economic coherence in the region was necessary. These were the background issues that informed Japan's decision to take the autonomous position of making the AMF proposal.

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32 Altbach, "The Asian Monetary Proposal".

33 Altbach, "The Asian Monetary Proposal".

34 Noble and Ravenhill, "Causes and Consequences", p. 2.

35 Haruhiko Kuroda and Masahiro Kawai, "Strengthening regional financial co-operation in East Asia", in Gordon de Brouwer and Yunjong Wang, *Financial Governance in East Asia: Policy Dialogue, surveillance and cooperation*, New York, Routledge Curzon, 2004, pp. 136–66, p. 137. It is now argued that the management of financial globalisation requires frameworks that reduce capital flow volatility and enhance domestic capacity to manage undesirable impacts of globalisation.

36 Kuroda and Kawai, "Strengthening regional financial cooperation", p. 138. This encompasses issues such as improvements in the banking and financial sectors to ensure asset liability and to avoid non-performing loans, improvements in the financial management capacities of corporations to maintain financial discipline, and the development of sound capital markets for alternative sources for domestic investments.

The IMF and the United States versus Japanese Responses to the Asian Financial Crisis

The second factor that motivated Japan's AMF proposal was the ineffective and misjudged responses of the United States and the IMF to the Asian financial crisis. As the financial crisis spread beyond Asia, the debate over whether crony capitalism or the consequences of short-term capital flows on existing global financial structures were to blame gave rise to different reactions from the IMF, the United States and Japan as the three major actors in the region.

The IMF initially assessed the crisis as a conventional demand-management problem requiring a prolonged monetary policy, and it therefore prescribed macroeconomic and structural adjustments that did not generate confidence and recovery.[37] Because the crisis was in fact a financial system crisis that required supportive fiscal policy, the IMF packages and reaction were widely thought to have exacerbated, rather than alleviated, the crisis at critical times in 1997 and 1998.[38] An example of this was the IMF's inability to provide sufficient funds to rescue Thailand during the crisis,[39] and its initial dismissal of the possible destabilising speculation in financial markets. Furthermore, it was unable to gather the support of the United States and Europe in dealing with the crisis at critical stages in 1997 and 1998.[40] This fuelled the IMF's reputation as being rigidly ideological in its analysis of hedge funds, and strengthened the regional perception of the IMF as a US-run and dominated institution that was inflexible and obsessed with protecting its own bureaucratic interests rather than being seen as an independent and reliable global player.[41] It also raised the issue of whether the quotas of Asian countries in the IMF were commensurate with their relative economic weight, which further fortified the image of the IMF being an essentially Western-centric institution.[42]

The IMF also prescribed small fiscal adjustments, aimed at taking on some of the burden of external current account adjustment, in order to try and boost international

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37 Gordon de Brouwer, "The IMF and East Asia: A Changing Regional Financial Architecture", *Pacific Economic Papers*, no. 324, Canberra, Australia-Japan Research Centre, 2002, pp. 2–4; Kuroda, *Gen Kiriage*, p. 62.

38 "Gurōbaru Manē: Ajia deno Ichijirushī Nihon no Shidōryoku Teika" ("Global Money: The Striking Decline of Japan's Leadership in Asia"), *Mainichi Economist*, 10 January 2006.

39 The IMF was only able to offer 4 billion US dollars, a third of what was needed. See Amyx, "Moving Beyond Bilateralism?", p. 5.

40 De Brouwer, "The IMF and East Asia", p. 5.

41 De Brouwer, "The IMF and East Asia", p. 2.

confidence in the crisis-hit countries. To accomplish this, it proposed signalling that the costs of the required bank restructuring would be met within existing budgets.[43] As the crises progressed, private domestic demand collapsed, and it soon became apparent that even this extent of fiscal adjustment was extreme. In terms of monetary policy, the basic approach taken by the IMF was to tighten policies within the crisis-hit countries to counter some of the downward pressure on currencies, without attempting to hold on to any set target for the exchange rate to ensure a degree of flexibility in a highly uncertain environment.[44] The programs that the IMF prescribed were not initially successful in restoring confidence; capital continued to exit the crisis-affected countries and their currencies continued to depreciate even after the programs had been adopted.[45] Thus, contrary to initial projections of only a mild slowdown, the crisis-hit economies sank into deep recessions.

Criticism of the IMF policies in response to the Asian financial crisis was mostly on the IMF premise that the crisis was basically a liquidity panic resulting from short-term foreign currency exposures, analogous to a bank run.[46] It was therefore argued that the IMF approach only exacerbated the panic by giving investors the misleading impression that something was fundamentally wrong with these economies. From this perspective, structural reforms were a distraction that imposed costs on economies already coming under strain.[47] The fiscal and monetary tightening that was imposed damaged international confidence in the affected countries. It contributed to the economic downturn and raised fears of insolvency, consequently adding to downward pressure on their exchange rates. In hindsight, Masaru Yoshitomi and Kenichi Ohno argued that a more appropriate policy response was to concentrate on restoring confidence quickly by providing much more substantial financing to the affected countries through even larger official packages and imposing standstills and capital

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42 For a discussion on the quota balance of Asian countries in the IMF, see David P. Rapkin and Jonathan R. Strand, "Is East Asia under-represented in the International Monetary Fund?", *International Relations of the Asia-Pacific*, vol. 3, 2003, pp. 1–28.

43 Jack Boorman, Timothy Lane, Marianne Schultze-Ghattas, Aleš Bulíř, Atish R. Ghosh, Javier Hamann, Alexandros Mourmouras, and Steven Phillips, "Managing Financial Crises: The Experience in East Asia", *IMF Working Paper*, WP/00/107, June 2000, p. 8.

44 Boorman, Lane, Schultze-Ghattas, Bulíř, Ghosh, Hamann, Mourmouras, and Phillips, "Managing Financial Crises", p. 8.

45 Boorman Lane, Schultze-Ghattas, Bulíř, Ghosh, Hamann, Mourmouras, and Phillips, "Managing Financial Crises", p. 9.

46 Steven Radelet and Jeffrey D. Sachs, "The East Asian Financial Crisis: Diagnosis, Remedies, Prospects", *Brookings Paper on Economic Activity*, vol. 28, no. 1, pp. 1–74; Rapkin, "The United States, Japan and the power to block", p. 395.

47 Jason Furman, and Joseph E. Stiglitz, "Economic Crises: Evidence and Insights from East Asia", *Brookings Paper on Economic Activity*, vol. 2, pp. 1–135, p. 6.

controls on private creditors to halt the rush of exiting capital.[48] Monetary and fiscal polices should therefore have been eased rather than tightened from the outset so as to encourage economic activity. To the extent that structural reforms were needed, they should have been undertaken more gradually and only as the economies recovered from the affects of the crisis.

The US response to the crisis through the IMF was also weak. Because the IMF funds were in constant demand for large-scale rescues, this caused a severe drain on its resources, which the US administration could not finance at the time. Congress was strongly against US funding of IMF rescue packages, which was evidenced in the D'Amato Amendment passed by Congress after the financial crisis in Mexico in 1995.[49] The Amendment prohibited the US Treasury from using the Exchange Stabilisation Fund at the time of the Thai rescue package.[50] Therefore, while the IMF agreed to increase quotas during the Asian financial crisis, the US administration was unable to make a contribution[51].

In addition, the crisis spread throughout Asia at a time when the United States and Europe were experiencing strong economic growth, and the banks of most industrialised countries also had strong capital bases.[52] As the crisis in Asia did not disrupt stability in the US and Europe, the sense of urgency to respond diminished, which explains the complacent reactions of both the United States and the European dominated IMF.[53] As a consequence, these factors again reinforced the perception in Asia that the IMF was a Western-centric institution with little understanding of the region and was only willing to co-operate if states complied within a certain established economic and financial structure.

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48 Masaru Yoshitomi and Kenichi Ohno, "Capital-Account Crisis and credit Contraction: A New Nature of Crisis Requires New Policy Papers", *Asian Development Bank Institute Working Paper*, Tokyo, Asian Development Bank Institute, no. 2, May 1999, p. 21; Amyx, "Moving Beyond Bilateralism?", p. 5.

49 The D'Amato Amendment was initiated by Alfonse D'Amato to prohibit funds being used for Exchange Stabilisation Funds (ESF) unless the President certified that there were no projected costs and that there was an assured source of repayment. It was passed as law in 1996. See J. Lawrence Broz, "The Congressional Politics of International Financial Rescues", *American Journal of Political Science*, vol. 49, no. 3, July 2005, pp. 479–96, p. 484.

50 De Brouwer, "The IMF and East Asia", p. 7.

51 Masayuki Tadokoro, "The Asian Financial Crisis and Japanese Policy Reactions", in Geoffrey R. D. Underhill and Xiaoke Zhang (eds.), *International Financial Governance under Stress: Global Structures versus National Imperatives*, Cambridge, Cambridge University Press, 2003, pp. 223–42, p. 230.

52 Noble and Ravenhill, "Causes and Consequences", p. 2.

53 Noble and Ravenhill, "Causes and Consequences", p. 2.

In contrast, Japan pursued a focused and measured response to the crisis, with its initial reaction to co-ordinate with the IMF, especially in relation to Thailand. The Thai government initially asked Japan to provide bilateral assistance but the Japanese government did not respond to this request because the Thai government failed to disclose essential information about its economy, such as the exact amount of its foreign reserves and the extent of the government intervention in the market.[54] Although an agreement was promptly reached between the IMF and Thailand, it soon became clear that the estimated US$14 billion necessary far exceeded the available resources from the IMF and other international organisations.[55] Under these circumstances, Japan convened a meeting for rescuing Thailand in Tokyo on 11 August 1997 after consulting with the IMF, and went to great lengths to make the meeting successful.[56] MOF senior officials flew to East Asian countries to try to persuade them to contribute to the package by stressing the importance of co-operation by regional countries and emphasised that Japan would equal the IMF contribution and give US$4 billion.[57] The meeting was a greater success than expected, and a total of US$17 billion was committed to the package.[58] The effort complemented the IMF response, as Japan and the other bilateral aid donors relied on IMF information gained through its regular surveillance of member countries to work out these aid packages.[59] As previously mentioned, Japan had not included the United States in the AMF because the United States did not participate in this Thai bailout meeting.[60]

Despite these efforts, Japan was criticised for its handling of the crisis, particularly by the United States.[61] In January 1998, US Treasury Secretary Robert Rubin argued Japan's responsibility in bringing the region out of the crisis, saying that it was "absolutely crucial that Japan take the steps necessary to deal with the issues in its financial system, to generate solid growth in domestic demand and to open its

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54 Eisuke Sakakibara, *Sekai to Nihon*, p. 177.

55 Ōnishi, *Ajia Kyōtsū Tsūka,* pp. 86–87. IMF assistance to Thailand was, at most, US$4 billion at the time.

56 Kikuchi, "East Asian Regionalism", p. 26.

57 Tadokoro, "The Asian Financial Crisis", p. 223.

58 Shigeki Kimura, "Ajia Tsūka Kiki – Kokusai Kyoku kara mita kono Ichinen" ("The Asian Financial Crisis—A year as seen by the International Bureau"), *Fainansu (The Finance)*, vol. 34, no. 7, October 1998, pp. 14–22, p. 17.

59 Tadokoro, "The Asian Financial Crisis", p. 223.

60 Haruhiko Kuroda, *Gen Kiriage (Appreciating the Yuan)*, Tokyo, Nikkei BP Shoten, 2004, p. 62; Lipscy, "Japan's Asian Monetary Fund Proposal", p. 95.

61 Makoto Nishida, "Ajia Tsūka Kiki kara 1nen—Nihongata Kyūsai no Genkai" ("One Year from the Asian Financial Crisis—the Limits of the Japan-Model Rescue Plan"), *Shūkan Tōyō Keizai*, pp. 30–33, p. 30.

markets".[62] Later, in September 1998, Rubin was reported to have condemned Japan during his meeting with Kīchi Miyazawa, then Japanese Minister of Finance, for lacking a sense of urgency in dealing with the crisis.[63] Japan was also blamed for contributing to the escalation of the crisis, because it was unable to absorb more exports into its markets owing to the depreciating yen and weak economic conditions.[64] At the time, Japan itself was suffering from its own economic problems; and the Japanese financial system was also unstable under the heavy load of bad loans, which culminated in the collapse of two major banks in the latter half of 1997.[65] Critics argue that this was due to the Japanese Ministry of Finance's failure to liquidate non-performing loans:

> Rather than forcing Japanese banks to sell assets to cover their losses or take the politically unpalatable step of using public funds for a financial system bailout, as the United States did to deal with its savings and loans crisis of the 1980s, the MOF made it possible for banks to disguise the decline of their assets and to continue to make profitable but risky loans to the fast growing Asian economies.[66]

Regardless of US criticism, in comparison with the IMF, Japan was quick to respond to the expectations of the region. This situation furthered the sense that, rather than being dependent on the United States or the IMF, a specifically Asian financial institution was necessary to protect the economic security of the region, and added to Japan's motivations to establish such an institution.

US and IMF Objections to the Asian Monetary Fund

The proposal of an Asian Monetary Fund after the Asian financial crisis was vehemently opposed by the United States and also by the IMF. This section analyses these objections, firstly to investigate the hegemon's interpretation of Japan's intentions behind the proposal, and also to identify the obstacles that stood in the path of potentially realising an AMF. Insights into these perspectives and obstacles suggest that Japan, while a firm ally of the United States, was nonetheless viewed with pessimistic

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62 Christopher B. Johnstone, "Strained Alliance: US-Japan Diplomacy in the Asian Financial Crisis", *Survival*, vol. 41, no. 2, Summer 1999, pp. 121–38, p. 127; Kōhei Murayama, "Rubin urges Japan to take Additional Steps", *Kyodo News*, 22 January 1998.

63 Christopher Hughes, "Japanese Policy and the East Asian Currency Crisis: Abject Defeat or Quiet Victory?", *CSCR Working Paper*, no. 24.99, February 1999, pp. 2–3, Tadokoro, "The Asian Financial Crisis", p. 223.

64 Tadokoro, "The Asian Financial Crisis", p. 230.

65 Ippei Yamazawa, "Japan and the Asia-Pacific Economies", *Japan Review of International Affairs*, vol. 18, no. 1, Spring 2004, pp. 18–52, p. 25.

66 Cronin, "Asian Financial Crisis: An analysis of U.S. Foreign Policy Interests", p. 3 and R. Taggart Murphy, "Making Sense of Japan: A Reassessment of Revisionism", *National Interest*, vol. 43, Spring 1996, pp. 50–63.

scepticism by the United States. This was because of residual suspicions over the East Asian Economic Caucus proposal of the 1990s, the competition that the AMF potentially posed to the IMF, and finally the fact that the proposal more generally went against the "Washington Consensus"—the economic philosophy espoused by the United States and the IMF.

The US Position: "If you're not prepared to follow through with the proposal, then don't do it!"[67]

The United States was first notified of the proposal during an Organisation for Economic Co-operation and Development (OECD) meeting in Paris in early September 1997, and it was assumed that it would also be a member of the fund.[68] When Larry Summer, then Under Secretary of the Treasury learned that the United States was excluded from the fund, he called Sakakibara expressing his concern and anger.[69] In the words of a senior US government official, "the AMF was seen as blatantly avoiding the IMF and weakening the US Treasury."[70] The US government sent letters to the Finance Ministers of the member nations of Asia-Pacific Economic Co-operation (APEC), which were signed by US Secretary of the Treasury Robert Rubin and the US Federal Reserve Board Chairman Alan Greenspan. Their report was that the United States was ready to consider actions to manage the economic crises co-operatively across the region, and that the IMF had to be at the centre of any such attempt rather than an AMF.[71]

Other than being affronted by the exclusion, the United States was also concerned about the AMF because of perceived competition over economic leadership and influence in the Asian region. Its exclusion from the AMF, and Japan's active involvement in co-ordinating the funds for the Thai rescue package, indicated that Japan had played a role where the United States had failed. This resonated with US concerns about its declining influence in East Asia while Japan, and also China, appeared increasingly dominant. Indeed, because Japan had hitherto often been criticised for its

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67 Perception of the US government as summarised by Eric Altbach, Director for Asian Economic Affairs, US National Security Council, interviewed 15 March 2005, Washington D.C.

68 Eisuke Sakakibara, "Kokusai Manē no Kōbō: Sakakibara Eisuke Kaisōki IMF tai AMF", ("International Monetary Battle: Eisuke Sakakibara Reminisces IMF versus AMF"), *Yomiuri Shimbun*, 26 November 1999.

69 Tadokoro, "The Asian Financial Crisis", pp. 224–25. According to the now famous incident the angry call was made to his home in the middle of the night.

70 Eric Altbach, Director for Asian Economic Affairs, US National Security Council, interviewed 15 March 2005, Washington D.C.

71 Sakakibara, *Nihon to Sekai ga Furueta Hi*, p. 186.

failure to exercise leadership internationally and regionally, the Asian financial crisis presented the perfect opportunity for it to demonstrate foreign economic policy leadership. Japan proved in this instance that it was capable of a role that exceeded "chequebook diplomacy"[72] and "leadership from behind".[73]

The implications of US exclusion from the AMF were further exacerbated by a previous omission from a regional economic proposal—the East Asian Economic Caucus (EAEC). The EAEC had been proposed by the then Malaysian Prime Minister Mohamed Mahathir in December 1990 after the failure to conclude the Uruguay Round for the negotiations of the GATT.[74] Mahathir promoted the EAEC as an institution that aimed to protect free trade within Asia, but it was met with fierce objections from then US Secretary of State James Baker.[75] Japan distanced itself from the proposal and in the end back-tracked on its support for it, saying it would only join the EAEC upon the inclusion of the United States.[76]

Sakakibara, on the other hand, interpreted US concerns more in relation to the independence of the AMF from the IMF and the impact that this may have on US influence, rather than an annoyance at their exclusion from the fund.[77] Independence of the AMF from the IMF had significant implications for US policy in Asia, because the IMF was an important channel for US foreign policy. Miles Kahler wrote that the US utilised the IMF "as a buffer in awkward bilateral relations, imposing economic conditions that the United States would find it hard to impose bilaterally,"[78] and Benjamin Cohen also argued that the IMF served as a convenient cushion in implementing stringent reform policies:

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72 Japan was accused of being only willing to commit financially to international relations during the 1990–1991 Gulf War, and Japanese foreign policy was thus given this negative label. Refer to Chapter Two.

73 Alan Rix describes Japan's foreign policy style as avoiding bold public initiatives and cultivating behind-the-scene support, particularly in institutions such as the Asia-Pacific Economic Co-operation (APEC). See Alan Rix, "Japan and the Region: Leadership from Behind", in Richard Higgott, Richard Leaver and John Ravenhill (eds.), *Pacific Economic Relations in the 1990s: Conflict or Cooperation?*, Allen and Unwin, Sydney, 1993.

74 Yamazawa, "Japan and the Asia-Pacific Economies", p. 28.

75 Jun Onozawa, "Japan and Malaysia: The EAEC Test of Commitment", *Japan Quarterly*, vol. 40, no. 3, July 1993, pp. 277–82, p. 277; "Malaysia says EAEC viable without Japan", *Agence France-Presse*, 8 November 1991.

76 "Malaysian Daily calls Japan, US hypocrites over EAEC", *Asian Economic News Kyodo News International*, 18 November 1991.

77 Sakakibara, *Nihon to Sekai ga Furueta Hi*, pp. 185–86, and Altbach, "The Asian Monetary Proposal".

78 Miles Kahler, "The United State and the International Monetary Fund: Declining Influence or Declining Interest?" in Margaret P. Karns and Karen A. Mingst (eds.) *The United States and Multilateral Institutions: Patters of Changing Instrumentality and Influence*, London, Unwin Hyman, 1990, p. 110

> Any effort by Washington itself to impose unpopular policy conditions on troubled debtors would undoubtedly have fanned the flames of nationalism, if not revolution, in many countries. But what would be regarded as intolerable when demanded by a major foreign power might, it seemed, be rather more acceptable if administered instead by an impartial multilateral agency.[79]

Also, at the time of the crisis, the IMF acted as a primary mechanism through which the United States exerted its influence in world monetary affairs, due to the constraints imposed by the D'Amato Amendment. As mentioned above, the US administration was restricted by Congress from committing substantial monetary resources to international initiatives and increasing US funding to the IMF during the Thai crisis because of this amendment. While the D'Amato amendment had expired by the time of the Indonesian and Korean crises, thereby allowing the United States to contribute to rescue packages, financial contributions through the IMF were much more likely to get the support of the American people, as well as that of Congress, than bilateral assistance.[80] As a result, the IMF was a useful tool in exerting US interests, and consequently, the United States could not support an institution that potentially threatened IMF authority.

The IMF's Position

The IMF also objected to the Asian Monetary Fund proposal for similar reasons to the United States. The IMF perceived the AMF not only as a redundant institution, but that it would also undermine its authority in the region, particularly with its proposed less stringent conditions to lending and reforms. IMF Managing Director Michel Camdessus and his deputy Stanley Fischer both criticised the AMF proposal, arguing that, unless the IMF was the only possible source of financial assistance in crisis situations, the IMF would lose its effectiveness in obtaining member state agreement to the reforms required for economic recovery.[81] Furthermore, the IMF also feared that the flexible nature of the proposed AMF could potentially encourage poor banking and business practices and create a "moral hazard" in the region.[82] In other words, the lack of conditionality would remove the necessary incentives for reform, which would encourage the continuation of risky loans under the assumption that the failure to pay

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79 Benjamin J. Cohen, *In Whose Interest? International Banking and American Foreign Policy*, New Haven, Yale University Press, 1986, p 229.

80 Altbach, "The Asian Monetary Proposal", p. 10.

81 Altbach, "The Asian Monetary Proposal", p. 10.

82 Ōnishi, *Ajia Kyōtsū Tsūka,* p. 89.

would be covered by funds from the AMF.[83] In fact, in order to counter the ineffectiveness of the IMF during the Asian financial crisis, the IMF itself then moved to raise the mandate and resources of the institution, and increased its quota by 45 percent.[84] The IMF argued that because these increases were being enforced, the establishment of an AMF was not necessary.

The AMF more generally presented a challenge to the neo-classical economic philosophy of the "Washington Consensus" that underlies the policies of the IMF, World Bank, senior members of the US administration and Congress, economic agencies of the US government, the Federal Reserve Board, associated think-tanks and also the Inter-American Development Banks.[85] It adhered to "macroeconomic prudence, outward orientation, and domestic liberalization"[86] and became the prevalent economic philosophy in the industrialised world to remedy the failed state-centred development of the 1950s and 1960s.[87] Neo-classical economic thinking dominated the Western world—most notably supported by the Reagan administration in the United States and the Thatcher administration in the United Kingdom—and became the backbone of views on economic development in the World Bank and the IMF in the 1970s.[88] During the 1980s, the World Bank and the IMF began to prescribe structural adjustment policies such as comprehensive reforms of institutions, liberalisation and privatisation as conditions of IMF and World Bank loans. David Held identifies the following traits as forming the core of the Washington consensus:

> The narrow agenda is focused typically on free trade, capital market liberalization, flexible exchange rates, market-determined interest rates, the deregulation of all markets, the transfer of assets from the public to the private sector, the tight focus of public expenditure on well-directed social targets, balanced budgets, tax reform, secure property rights and the protection of intellectual property rights. It has been

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83 Cronin, "Asian Financial Crisis: An analysis of U.S. Foreign Policy Interests", p. 11 and Edward A. Gargan, "Asian Nations affirm IMF as primary provider of Aid", *New York Times*, 20 November 1997, A16, A18.

84 Altbach, "The Asian Monetary Proposal", p. 10.

85 Williamson, *Latin American Adjustment*, p. 7. It is debatable whether such a consensus exists. There are diverse opinions within the World Bank, IMF and the United States, and the three do not always share the same outlook. However, Williamson argues, with regard to Latin American development, that there are "9 or 10 policy areas in which 'Washington' could muster something like a consensus on what countries ought to be doing" (p. 1), and is therefore a useful categorisation.

86 Williamson, *Latin American Adjustment*, p. 1.

87 Williamson, *Latin American Adjustment*, p. 18.

88 David Held, *Global Covenant: The Social Democratic Alternative to the Washington Consensus*, Cambridge, Polity Press, 2004, p. 54.

> the dominant orthodoxy over the last twenty years in leading OECD countries and in the international financial institutions.[89]

The Washington Consensus was therefore an important economic philosophy that was essentially US-centric: "both a specific, US designed neoliberal economic project and, more broadly, a political project which underwrites the current US administration's unilateralist ambitions".[90] This viewpoint emphasised a "big bang" approach; in other words, swift liberalisation of the economy through strict macro-economic restraints, and domestic and external deregulation.[91] It argued that impediments to a free market should be removed as soon as possible so that market mechanisms could begin to work properly and countries could begin to prosper.[92] Those who prescribed to the Washington Consensus were particularly sceptical of state involvement in the economy, in particular with regard to industrial policy, and advocated the privatisation of state-owned projects.[93] The policies which the IMF prescribed on the affected countries after the Asian financial crisis adhered to the basic values of the Washington Consensus.

However, the United States did not always follow the philosophy of the Washington Consensus itself. When financial difficulties with a major US hedge fund, the Long-Term Capital Management (LTCM), surfaced in September 1998, instead of letting the fund go bankrupt according to the liberal market mechanisms usually espoused by the United Stated and the IMF, US authorities came to LTCM's assistance, with the help of major financial institutions in Wall Street.[94] It seemed hypocritical that the US-backed IMF should implement harsh reforms for countries that suffered from speculative attacks, while it rescued a troubled hedge fund when global financial disorder threatened the US stock market and the stability of the US economy.[95] This double standard suggested that, behind the stringent conditions required in the IMF reforms and the philosophy of the Washington consensus, lay the politics of power moulded to the requirements of the hegemon, and not a philosophy that espoused the efficient access to a global market economy for the greater economic benefit of developing economies.

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89 David Held, *Global Covenant*, p. 55.
90 Held, *Global Covenant*, pp. xiv–xv.
91 Williamson, *Latin American Adjustment*, p. 18.
92 Williamson, *Latin American Adjustment*, p. 18.
93 "Guro-baru Manē", *Mainichi Economist*.
94 Tadokoro, "The Asian Financial Crisis", p. 231.
95 Tadokoro, "The Asian Financial Crisis", p. 231.

Despite the hypocrisy of US policy, there was significant opposition to the Asian Monetary Fund from the United States and the IMF, which strongly suggested disapproval from the "Western world" in general. These objections highlighted the perceived threat of the AMF towards the dominant position of the United States in the financial sector of the region, and suggested that the United States viewed Japan's initiatives as straying from existing financial arrangements. It can therefore be concluded that the AMF was seen as hindering US interests in the region and perceived as a challenge to US hegemony in Asia.

The Japanese Defence of the AMF

Japan defended the AMF by arguing that the Asian financial crisis was a panic-driven liquidity problem and that the crisis could have happened anywhere—indeed, it did spread to countries outside the region—and that blaming the situation solely on the economic failure of the region was problematic. Japan argued that, in order to ensure greater global stability, not only did Japan and the crisis-affected countries have to reassess their economies, but inherent faults in the global financial markets also needed to be identified and scrutinised.

Several issues motivated Japan's proposal of the AMF. Firstly, at the more immediate level of financial and trade dealings with the region, Japan was by far more engaged, particularly with Thailand, and therefore had more at stake in the Asian financial crisis. Compared to the European Union and the United States, which lent US$20 billion and US$4 billion respectively to Thailand, at the time Japan had lent US$38 billion, and was the largest foreign investor in terms of stocks.[96] Japan's patterns of large investment also applied more broadly to the rest of East Asia and, accordingly, Japan was at far greater risk in the event of the crisis, and would also therefore benefit more from a stabilising mechanism such as an AMF.

Secondly, as mentioned above, on a practical level, the proposal for an Asian Monetary Fund responded to a need to diversify exchange rate arrangements in the region. The 1997 crisis indicated that there was a high dependency on the US dollar in the Asian region. Thailand, Indonesia and Korea all implicitly pegged their currencies to the dollar, which made them more vulnerable to external shocks. This implicit dollar-peg meant that, as the dollar appreciated relative to the yen and Deutschmark (now

Euro) from the mid-1990s onwards, these Asian currencies also appreciated, thereby weakening the export competitiveness of the affected states and deteriorating their current account positions.[97] Yet, had these countries tied their exchange rates even loosely to a basket peg—meaning some weighted combination of the dollar, yen and Euro—they would have experienced less appreciation of the effective exchange rate and hence been less vulnerable in 1997.[98] Previously, there were suggestions to internationalise the yen, which had been raised by the Japanese government not long after the crisis and was supported by former Malaysian Prime Minister, Mohammed Mahathir, as an alternative monetary solution.[99] While the AMF fell short of this, it certainly acknowledged the need for an alternative monetary system.

Thirdly, there was widespread dissatisfaction in Asia over the actions of both the IMF and the United States during the crisis. There was a strong sense in the region that a specifically regional support network was necessary because of the IMF's inaccurate diagnosis of the crisis and inefficient response, and also the lack of involvement by the United States. Moreover, after the crisis, the IMF was increasingly perceived by academics and policymakers in the region as a US-run and Western-centric institution.[100] The structure of the IMF and its location were telling signs of a European and US-bias. The First Deputy Manager of the IMF, who undertook many of the sensitive negotiations, was often a US citizen with close ties to the US Treasury; the IMF head office was based only a few blocks away from the US Treasury in Washington D.C.; and the United States had effective veto power over key decisions of the IMF Executive Board.[101] The Managing Director of the Fund was European, and the First Deputy Managing Director was American and, therefore, the IMF, as an institution, under-represented Asia as a whole.[102] In terms of quotas, the IMF Executive Board had European over-representation by 6 percent, and Japan was under-represented by 12 percent.[103] Because of this under-representation, Japan found it difficult to

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96 Lipscy, "Japan's Asian Monetary Fund Proposal", p. 98.

97 De Brouwer, "The IMF and East Asia", p. 4.

98 De Brouwer, "The IMF and East Asia", p. 4.

99 Masayuki Tadokoro, "Ajia ni okeru Chiiki Tsūka Kyōryoku no Kōsatsu: Yōroppa tono Hikaku no Kanten kara" ("Examining Regional Monetary Co-operation in Asia: A Comparative Viewpoint with Europe"), *Leviathan*, Spring 2000, pp. 45–69, p. 58–59.

100 For example, see H.H. Lee and D.Y. Yang, "Reforming the International Financial Architecture" in T-J Kim and D.Y. Yang (eds.) *New International Financial Architecture and Korean Perspectives*, Seoul, Korea Institute for International Economic Policy, 2001, pp. 9–33.

101 De Brouwer, "The IMF and East Asia", p. 5.

102 Rapkin and Strand, "Is East Asia under-represented in the International Monetary Fund?", p. 11.

103 Rapkin and Strand, "Is East Asia under-represented in the International Monetary Fund?", p. 11.

successfully lobby on behalf of its region in the IMF.[104] Furthermore, there were differences in the leniency of the IMF reforms, with stricter reforms imposed on Indonesia in comparison with Russia during the financial crisis, which gave rise to accusations of double standards.[105] As a result of this Euro-US-centrism, the perception that the United States and the IMF were bent on exposing the weaknesses of the Thai economy, even at the expense of a crisis in a traditional ally country, also gradually grew, and fuelled the desire for a regional monetary system.[106]

Fourthly, Japanese dissatisfaction with US criticism cannot be overlooked as a motivating factor behind the AMF proposal. As previously mentioned, the United States was critical of Japan's reactions to the Asian financial crisis, and argued that the poor state of its economy exacerbated the crisis. Japan made the largest financial contribution—US$4 billion to Thailand, US$5 billion to Indonesia, and US$11.3 billion to South Korea.[107] Given the inability or unwillingness of the United States to allocate money to the IMF for a quota increase, from the viewpoint of Japanese policymakers it did not seem fair to blame the exacerbation of the crisis on Japan. The fact that the United States and the IMF blocked the AMF proposal indicated that the United States wanted to dictate how Asian economies should be run and also to maintain its hegemony in the region, without making any significant financial contribution.[108] Yōichi Funabashi argued:

> Japan [has] learned the hard way...that the United States regards an economically strong Japan as a rival but disregards the country when its economic power weakens...Washington, while disregarding Japan, keeps pressing it to take measures to prop up the economic side of the [US-dominated] unipolar world – especially through steps that continue to finance the US current account deficit.[109]

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104 De Brouwer, "The IMF and East Asia", p. 8.

105 "Tokubetsu Repōto: Ajia de Tsuzuku 'IMF Banare'" ("Special Report: Moves Away from the IMF Continues in Asia"), *Shūkan Tōyō Keizai*, 12 September 1998, pp. 54–55; "Tsūka Kiki—'Ajia Kinyū Anteika Kikin' no Teishō" ("Financial Crisis—Calls for 'A Fund to Stabilise Asian Currency'", *Shūkan Tōyō Keizai*, 10 October 1998.

106 De Brouwer, "The IMF and East Asia", p. 6. Thailand in particular felt betrayed by the United States—while the D'Amato amendment was the effective cause of the United States being unable to contribute to the Thai rescue package, from the Thai perspective, the United States provided financial aid to South Korea, despite Thailand also being an ally in the US fight against communism in Vietnam.

107 Jathon Sapsford, "Japan makes a big bridge loan to South Korea", *Wall Street Journal*, 19 December 1997, A13.

108 Tadokoro, "The Asian Financial Crisis", p. 230.

109 Yōichi Funabashi, "A US-led Unipolar World Negative for Japan", *Asahi Shimbun*, 16 June 1998, Evening edition.

The issue of US inconsistencies in financial matters was also a point of Japanese frustration. As seen in the US reaction to the failure of the LTCM hedge fund, the United States did not always practise what it preached. Actions such as these demonstrated that what was perceived as "moral" was dependent on the perpetrator, and that the concerns about "moral hazards" raised by the United States and the IMF were not genuine worries about good financial and monetary control, but rather concerns about preserving and fortifying US hegemony in the region. As a result, the Japanese regarded the "moral hazard" argument as an insubstantial reason to block the AMF proposal.

Finally, as discussed previously in the section on US's objections to the AMF, there were fundamental differences in the economic development philosophies of the United States and Japan, which influenced their two reactions to the financial crisis. The United States broadly followed the "Washington Consensus" line, whereas Japan supported a gradual, government-assisted transition of developing countries into the market economy.[110] Contrary to the Washington Consensus, Japan's basic development philosophy questioned whether all countries could effectively enjoy the benefits of the free market irrespective of their level of economic development. Largely based on its own experience as a developing country after the Second World War, Japan argued that liberalisation and economic reforms should not be carried simultaneously, but should be sequenced properly from a longer-term perspective than that assumed by neo-classical economists. In order to achieve stability and growth, Japan advocated the gradual integration of developing economies into the global market depending on their economic and social situation and the ability of their governments, and argued that there was no universal economic rule governing this process.[111]

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[110] Juichi Inada, "Washinton Konsensasu vs. Nihongata Apurōchi: Kokusai Haihatsu no Paradaimu Ronsō to Nihon no Chiteki Kōken" ("The Washington Consensus vs. The Japanese Approach: Paradigm Conflicts in International Development and Japan's Intellectual Contribution"), *Gaikō Jihō (Revue Diplomatique)*, no. 1341, September 1997, pp. 13–29, pp. 19–20.

[111] Inada, "Washinton Konsensasu vs. Nihongata Apurōchi", pp. 18–19.

	Washington Consensus	Japanese Model
Role of Government	Small (Deal with market failures)	Large (Lead economic development)
Industrial Policy	No effect, rely on market forces	Effective and necessary in early stages of economic development
Speed of Reform	"Big bang" (Shock therapy), comprehensive liberalisation in one hit	Gradualism, with emphasis on sequence- and system-building
Privatisation	Implement early and speedily	Emphasis on management efficiency and tackling unemployment, rather than anti-nationalisation
Trade and currency exchange	Early liberalisation and abolishment of control mechanisms	Gradual liberalisation depending on the state of domestic industrialisation
Administrative Organisation	Emphasis on transparency and effectiveness, abolishment of corruption and monopolies	Emphasis on the role of a competent bureaucratic organisation
Political Liberalisation	Civil society a pre-condition of a market economy	Gradual liberalisation as the economy develops

Table 5.2 A comparison of the Washington Consensus and the Japanese Approach to economic development and reform. From Juichi Inada, "Washinton Konsensasu vs. Nihongata Apurōchi: Kokusai Haihatsu no Paradaimu Ronsō to Nihon no Chiteki Kōken" ("The Washington Consensus vs. The Japanese Approach: Paradigm Conflicts in International Development and Japan's Intellectual Contribution"), *Gaikō Jihō (Revue Diplomatique)*, no. 1341, September 1997, pp. 13–29, p. 18.

Japan saw rapid liberalisation as a potential cause for domestic industries to collapse, resulting in more economic damage than benefit. Japan therefore placed greater emphasis on the role of the state based on the opinion that certain sectors of developing economies should receive special support by their governments to realise faster and more sustainable economic growth. It believed that the government could minimise the social cost of economic transition if it retained some control over the economy until the establishment and stability of those new institutions that would allow for the free operation of market economies.[112]

The motivations behind Japan's AMF proposal and its autonomous position can be appreciated in light of these varying factors. Japan had more investments in Asia and, as a consequence, had more to lose should a similar crisis reoccur. There was also a real need for the region to unpeg currencies from the US dollar and establish a more

[112] Inada, "Washinton Konsensasu vs. Nihongata Apurōchi", pp. 20–22. For a detailed analysis of Japan's role in establishing economic growth in the wider East Asian region, see Hughes, "Japanese Policy and the East Asian Currency Crisis", pp. 8–17.

balanced monetary system. However, the IMF and US response to the crisis, and their subsequent objection to the AMF proposal, indicated different approaches to development and the integration of developing states into the global market. While it recognised the need for fundamental structural reforms in the crisis economies, Japan's defence of the AMF proposal and the less stringent terms for loans essentially reflected the priority it placed on securing stability and growth over aggressive economic liberalisation. On the other hand, the IMF's response and its priorities were summed up in Richard Higgott's statement that "Michel Camdessus [of the IMF] described [the crisis] as 'a window of opportunity' to consolidate the Anglo-American model of economic development at the expense of the Asian developmental state."[113] Therefore, opposition to the AMF was not merely a conflict of opinions on how best to deal with the situation at hand, but also part of the long-standing ideological differences between Japan and the Washington Consensus. Again, Higgott argued that the crisis of the East Asian Newly Industrialised Economies (NIEs) challenged the very model on which they built their success in the late 20th century, and that "it should be seen not only as an economic crisis, but as an 'ideas battle' or an ideological battle."[114]

However, Japan did initially co-ordinate its response with the IMF when the crisis first emerged in Thailand, and had traditionally co-operated with the IMF. Because of this, its proposal to establish a regional monetary fund should not have been immediately interpreted as a move away from existing structures, despite Japan's dissatisfaction with US criticism being a strong undercurrent. In reality, the United States and later the IMF incorporated Japan's concerns and changed their Washington Consensus position after the Asian financial crisis from emphasising the narrow economic perspectives of globalisation to one that recognised the role played by the state in driving economic reforms.[115]

Thus, the proposal to establish an AMF was the result of an undercurrent of different philosophies between the Washington Consensus and Japan. It showed that Japan embraced the idea of multiple processes of industrialisation and economic

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[113] Richard Higgott, "Contested Globalization: The Changing Context and Normative Challenges", *Review of International Studies*, vol. 26, 2000, pp. 131–53, p. 135.

[114] Richard Higgott, "The Asian Economic Crisis: A Study in the Politics of Resentment", *New Political Economy*, vol. 3, no. 3, 1998, pp. 333–56, pp. 338–39.

[115] See International Bank for Reconstruction and Development/World Bank, *World Bank Annual Report 1991*, Washington, D.C., International Bank for Reconstruction and Development/World Bank. 1992. However, this shift also suffers a similar shortcoming to the Washington consensus, in that the post-Washington consensus is "no less universalizing, and attempts to be no less homogenizing". See Higgott, "Contested Globalization", p. 146.

modernisation, rather than one standard pattern as endorsed by the IMF, which accordingly required different responses in crisis situations. Japan's policy was autonomous of the United States, and Japan proposed this initiative despite knowing that the United States would object, demonstrating that it was confident about its views on integrating developing economies into the global economy to the extent that Japanese policymakers were willing to follow an autonomous foreign economic policy based on these values, even if they seemed to conflict with US interests. While Saori N. Katada argues that through the AMF proposal Japan acted as a counterweight to US financial hegemony in Asia,[116] as Christopher Hughes argues, "Japan's ambitions for regional leadership or hegemony should not be exaggerated" as "the underlying Japanese strategy has always been to maintain economic dominance in East Asia, but at the same time ... to keep the US ... engaged economically and politically in the region".[117] This supports the argument that the AMF proposal ultimately remained within the broader context of the US-Japan alliance, and the continuation of an active US presence in Asia.

Overcoming US and IMF objections—Alternative Financial and Monetary Developments after the AMF proposal: Stepping Stones towards a Future AMF?

The AMF proposal without doubt signified the region moving away from the dominance of the dollar. Many of the region's currencies were pegged to the US dollar, and Japan's initiatives were certainly an attempt to resolve this over-dependence on the dollar. Furthermore, the US response to the Asian financial crisis "radically affected the region's perception of the United States as a reliable partner *in the domain of international finance*"[118] and, in this sense, the AMF was an autonomous Japanese proposal that signified movement away from IMF and US influence. On the other hand, because of the central role of the United States in other domains, this was not necessarily autonomy *against* US hegemony in the region as a whole. Japan, and many of the other countries of the region, recognised the vital role played by the United States with regard to regional security and trade. As a reflection of this, US-Japan relations had been a priority in Japanese foreign policy for the previous six decades. The challenge of Japan's AMF proposal was thus not only to promote the AMF proposal, but also to

[116] Katada, "Japan's Counterweight Strategy", p. 185–88.
[117] Hughes, "Japanese Policy and the East Asian Currency Crisis, p. 2.
[118] De Brouwer, "The IMF and East Asia", pp. 5–6.

maintain US strategic, economic and financial involvement that would prove compatible to the needs of the region.

The following discussion analyses Japanese initiatives, introduced after the controversial AMF proposal, which endeavoured to incorporate US and IMF interests yet gradually move towards self-regulation. This indicated caution and strategy in Japanese policy to balance national, regional and US interests, and demonstrated how Japanese autonomy was maintained in the face of US objection. No matter how practically useful and meaningful an AMF was for the region at the time, it could not proceed because of Japan's inability to achieve unified support in the region. Although the AMF proposal was initially received positively by a large majority of Southeast Asian countries, support began to fade rapidly when the United States and the IMF expressed their objections.[119] Also, while Malaysia was particularly enthusiastic about the proposal, China and Singapore were not. China's support for the plan was crucial as it was the second-largest holder of foreign exchange reserves in the region.[120] However, few countries wished to move forward with the AMF proposal with such strong opposition from the United States, thereby indicating that US hegemony was important not only for Japan, but for the region as a whole.

Several Japanese-led initiatives following the Asian financial crisis aimed to achieve similar goals to the AMF. All were established in a genuine attempt to attain financial stability in Asia; yet all had some element of compromise with the United States. Some of the proposed frameworks have even been described as "face-saving" for the Japanese, with a strong undertone of the structures being established under US consent and supervision.[121] It analyses how Japan modified the AMF proposal to suit US and regional needs. It argues further that, despite the new financial and monetary networks being fundamentally different to the original AMF proposal, they represented small steps towards a larger, long-term Japanese vision which includes regional monetary integration. More importantly, these newly established monetary networks revealed that Japan overcame US opposition in order to pursue a Japanese autonomous policy.

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[119] Kuroda, *Gen Kiriage*, p. 81.

[120] Amyx, "Moving Beyond Bilateralism?", p. 7.

[121] Tadokoro, "The Asian Financial Crisis", p. 225.

The Manila Framework Group

The Manila Framework Group (MFG) was the first of the monetary initiatives developed after the AMF proposal. It was established in November 1997 by a number of APEC members as a framework to discuss monetary and financial co-operation to supplement the IMF, and to strengthen the IMF's capacity to respond to financial crises. Fourteen countries (Australia, Brunei, Canada, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand, and the United States) attended the meeting, along with the IMF, the World Bank and the ADB as observers.[122] They agreed on four broad principles, on which the framework was based. Firstly, the framework was to work as a mechanism for regional economic surveillance to complement global surveillance by the IMF. Secondly, it would serve to enhance economic and technical co-operation particularly by strengthening domestic financial systems and regulatory mechanisms. Thirdly, the framework would take measures to strengthen the IMF's capacity to respond to financial crises; and fourthly, it would establish a Co-operative Financial Arrangement (CFA) where members agreed to assist other members in crisis and supplement the IMF resources.[123]

Because the MFG included Canada and the United States, it was not strictly a regional forum as envisaged in the AMF. Furthermore, it did not have any permanent staff or financial resources and, therefore, was not realistically a strong mechanism for policy surveillance. By the end of 2001, there had been nine MFG meetings, but US participation saw the MFG effectively driven by US interests, making the ASEAN + 3 the preferred forum of the regional participants, and rendering the MFG essentially redundant.[124] With respect to the MFG, it was reported that Japan had lost to the United States and the IMF, or that Japan had bowed to US pressure and been defeated in the struggle for currency hegemony in Asia.[125]

Therefore, the Manila Framework Group was clearly a compromise on the original AMF in terms of membership and format of the network, and Masayuki Tadokoro

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122 Mashiko Ishizuka, "The Politics of Rescue Packages", *Asian Business*, vol. 34, no. 1, January 1998, pp. 6–7; Ōnishi, *Ajia Kyōtsū Tsūka,* p. 197.

123 "Text of the G7-Manila Framework Joint Statement", *Jiji Press English News Service*, 20 June 1998, p. 1; Jennifer Amyx, "Japan and the Evolution of Regional Financial Arrangements in East Asia" in Ellis S. Krauss and T.J. Pempel (eds.), *Beyond Bilateralism: US-Japan Relations in the New Asia-Pacific*, Stanford, Stanford University Press, 2004, pp. 198–218, p. 206.

124 De Brouwer, "The IMF and East Asia", p. 15.

125 "Ronten: Henshū Iin Iwasaki Keiichi, 'AMF' Seikyū sugita Nihon" ("Discussion Point: Senior Editor Keiichi Iwasaki, Japan too impatient in the 'AMF' [Proposal]"), *Sankei Shimbun*, 7 December 1997.

described it as "as face-saving measure, [that] the United States allowed Asian countries to set up."[126] The inclusion of countries outside the Asian region such as Canada and New Zealand, and more crucially the United States, ensured that a Japanese-led Asian system that was clearly separate from the IMF failed to materialise. The Manila Framework also had no pooling of money or any permanent institutions, which made it deficient as a multilateral fund. Furthermore, implicit in US membership and compatibility with the IMF was that the Manila Framework was to remain within the limits of US interests. Without doubt the compromises were strongest in the Manila Framework, because it was established shortly after the Asian financial crisis when US and IMF suspicions of Japanese intentions were at their peak.

The New Miyazawa Initiative

A second Japanese proposal was made during the annual meeting of the IMF and the World Bank in October 1998. The New Miyazawa Initiative (NMI) was announced by the then Japanese Finance Minister, Kīchi Miyazawa, and its aim was to establish a regional financial assistance framework based on bilateral assistance from Japan. The funds would total US$30 billion, and the initiative targeted Thailand, Indonesia, South Korea, Malaysia and the Philippines.[127]

Various measures were featured in the New Miyazawa Initiative. Half of the funds were to be used for the medium to long-term financial needs for economic recovery in East Asian countries, while the remaining funds were for potential short-term financial needs during the process of implementing economic reforms.[128] There was also the traditional direct official financial assistance, such as yen loans through the Export-Import Bank of Japan, and also indirect ways to support East Asian countries in raising funds from international financial markets, such as the provision of guarantees. In addition, Japan proposed the establishment of an Asian Currency Crisis Support Facility (ACCSF) (worth approximately US$3 billion) within the ADB as part of the New Miyazawa Initiative.

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126 Tadokoro, "The Asian Financial Crisis", p. 225.

127 Amyx, "Japan and the Evolution of Regional Financial Arrangements in East Asia", p. 208; Ōnishi, *Ajia Kyōtsū Tsūka,* p. 89, Kuroda, *Gen Kiriage*, p. 62.

128 "Asian Economic Crisis and Japan's Contribution", *Ministry of Foreign Affairs Japan Website*, October 2000, accessed at http://www.mofa.go.jp/policy/economy/asia/crisis0010.html accessed 12 November 2004.

Like the Manila Framework Group, the NMI differed from the original AMF proposal, and the United States consequently accepted the initiative. It was deemed tolerable because it did not involve a pooling of resources from member countries, and its characteristics were more like an extension of Japanese official development assistance.[129] In addition, by this time, the United States had also changed its position on dealing with financial crises—particularly with the spread of the crisis to Russia and Brazil—and began to better appreciate Japan's efforts in the region because the crisis was now significantly closer to the United States.[130]

However, Japan had also made greater efforts to make this initiative more co-operative with the United States, so that it would not be perceived as the start of a more independent initiative. It was important for both the United States and Japan that a co-operative element between them both be incorporated into the NMI proposal. As a result, the Asian Growth and Recovery Initiative (AGRI) was consequently announced jointly by the United States and Japan in November 1998, along with the Asian Currency Support Facility within the ADB, which drew on the NMI funds solely provided by Japan.[131] The AGRI was still essentially a Japanese-funded project, the only difference being that it functioned specifically with the backing of the United States. The aforementioned Asian Currency Crisis Support Facility was also to be utilised in conjunction with the AGRI by aiding the payment of interest on ADB loans or ADB co-financed projects, financing technical assistance grants and as guarantees for co-finance loans with the ADB and bond issues by the affected countries.[132]

However, while the Manila Framework was founded under the watchful eye of the United States and the IMF, it is evident that Japan had not abandoned its goals of setting up a broader regional financial network. This was evident in the New Miyazawa Initiative. Indeed, the NMI stated that "it is hoped that in the long run the establishment of an international guarantee institution with a prime focus on Asian countries will be seriously considered."[133] While it was also far from the original AMF proposal and can be perceived as being an extension of development aid, the NMI nonetheless had a

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129 Tadokoro, "The Asian Financial Crisis", pp. 231–32.

130 Amyx, "Japan and the Evolution of Regional Financial Arrangements in East Asia", p. 209.

131 "Asian Growth Initiative", *Prime Minister of Japan and His Cabinet Website*, http://www.kantei.go.jp/foreign/e1e055.html, accessed 16 September 2006.

132 "Asian Economic Crisis and Japan's Contribution", *Ministry of Foreign Affairs Japan.*

133 Shūhei Kishimoto, "Miyazawa Kōsō no Shimei to Ajia Tsūka Kikin" ("The Role of the New Miyazawa Initiative and the Asian Monetary Proposal", *Fainansu (The Finance)*, vol. 35, no. 2, May 1999, pp. 31–48, p. 43.

regional dimension that would not emerge simply from the provision of ODA, and left open the possibility for the initiative to develop along regional lines. Shūhei Kishimoto, then Director of the Office of Regional Financial Co-operation on the MOF, who was involved in implementing the New Miyazawa Initiative, stated that Japan saw that the Asian Currency Crisis Support Facility within the ADB could potentially move forward to a regional organisation within a multilateral framework in the future.[134] He envisioned the possibility of other countries establishing similar arrangements with the ADB, which could eventually be reorganised into an independent regional fund.[135] While Japan still faced surveillance and restrictions by the United States in the case of the NMI (which was evident in the conclusion of the AGRI with the United States), Kishimoto's arguments strongly support Japan's continuing motive to create some type of regional framework.

The Chiang Mai Initiative

In 1999, the New Miyazawa Initiative moved beyond simply providing aid, loans and credit guarantees. The NMI was succeeded by the Chiang Mai Initiative (CMI), which was launched in May 2000 during the ADB annual meeting in Chiang Mai, Thailand. Its purpose was to be an institutional framework able to prevent contagion of financial crises, and it was broadened to include the establishment of backup facilities in the form of currency swap agreements.[136] The CMI expanded on existing currency swap arrangements among ASEAN members, which had already been established in 1997, to provide up to US$40 billion to other members to help minor liquidity deficits.[137] In other words, countries with liquidity problems could draw US dollars from one another's foreign exchange reserves against their local currencies. The major step forward was the establishment of bilateral currency swaps and repurchase agreements between the ASEAN+3 countries.[138] This network was to be implemented by mid-2002 and by November 2003 Japan had established bilateral swap arrangements ranging from US$1–3 billion with five ASEAN states (Thailand, the Philippines, Malaysia, Indonesia and

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134 Kishimoto, "Miyazawa Kōsō no Shimei to Ajia Tsūka Kikin", pp. 42–43.

135 Kishimoto, "Miyazawa Kōsō no Shimei to Ajia Tsūka Kikin", pp. 43.

136 Ōnishi, *Ajia Kyōtsū Tsūka,* p. 199.

137 "The Joint Ministerial Statement of the ASEAN+3 Finance Ministers Meeting, 6 May 2000, Chiang Mai, Thailand", *ASEAN Website*, http://www.aseansec.org/1026.htm, accessed 12 November 2004.

138 "'Tsūka Suwappu Kyōtei' Nihon to ASEAN ga Seishiki Gōi" ("'Monetary Swap Treaty' Japan and ASEAN make an Official Agreement", *Mainichi News Sokuhō*, 10 May 2001.

Singapore), and also South Korea and China.[139] The swap arrangements were effective for 90 days and renewable for up to two years, with 10 percent of the swap available for allocation based on the judgment of the lender. For the remaining 90 percent, the borrowing country was subject to IMF conditions for financing.[140]

Although the CMI was IMF-compatible, the United States was cautious in its responses to the initiative. The US representative to the ADB meeting, Edwin M. Truman, commented that the CMI was "fine", but that the ultimate position of the United States would depend on the nature of the financial arrangements stipulated in the details which were, from its perspective, lacking.[141] These comments reflected the long-standing US concerns about the danger of "moral hazard" should a regional monetary system be implemented. However, the Asian ministers attending the meeting were careful not to give the impression that the CMI was forming the basis of an institution in direct competition with the IMF. Miyazawa stated "[that there were] suspicions that it may be replacing what the International Monetary Fund is doing, but that is not our intention at all."[142]

The CMI was still a small-scale initiative, but its significance stemmed from the fact that it could be used in conjunction with the IMF as a temporary measure to fund member states in financial difficulty, and thereby minimise the potential for a financial crisis. It was still a bilateral network, which was far from the ideal multilateral goal of the AMF, but it was widely seen as small step towards regional financial co-operation. One negative aspect of the CMI was that it was simply a regional mechanism for financial assistance, with no permanent structure. Therefore, in the event of a crisis, negotiations between the lending and borrowing countries would have to take place in order for the currency swaps to occur, which would take time and was far from the ideal automated form of response that a multilateral organisation could provide. Furthermore, it was argued at the time that the CMI had advanced regional co-operation "well beyond pre-crisis levels;"[143] yet, despite this, at the recent review of the CMI, member states decided to postpone the decision on whether to increase the central bank swap lines and change the rules governing the initiative for a further year, thus suggesting the

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139 "Progress of the Chiang Mai Initiative", *Ministry of Finance Japan Website*, http://www.mof.go.jp/jouhou.kokkin/pcmie.htm, accessed on 12 November 2004.

140 "Asia gives itself more time to review financial exchange safety net", *Reuters News*, 6 April 2004.

141 "US cautious about Chiang Mai Initiative", *The Nation*, 8 May 2000.

142 Rosario Liquicia, "Japan-Asia: Regional Monetary Fund still out, currency swap in", *Inter Press Service*, 7 May 2000.

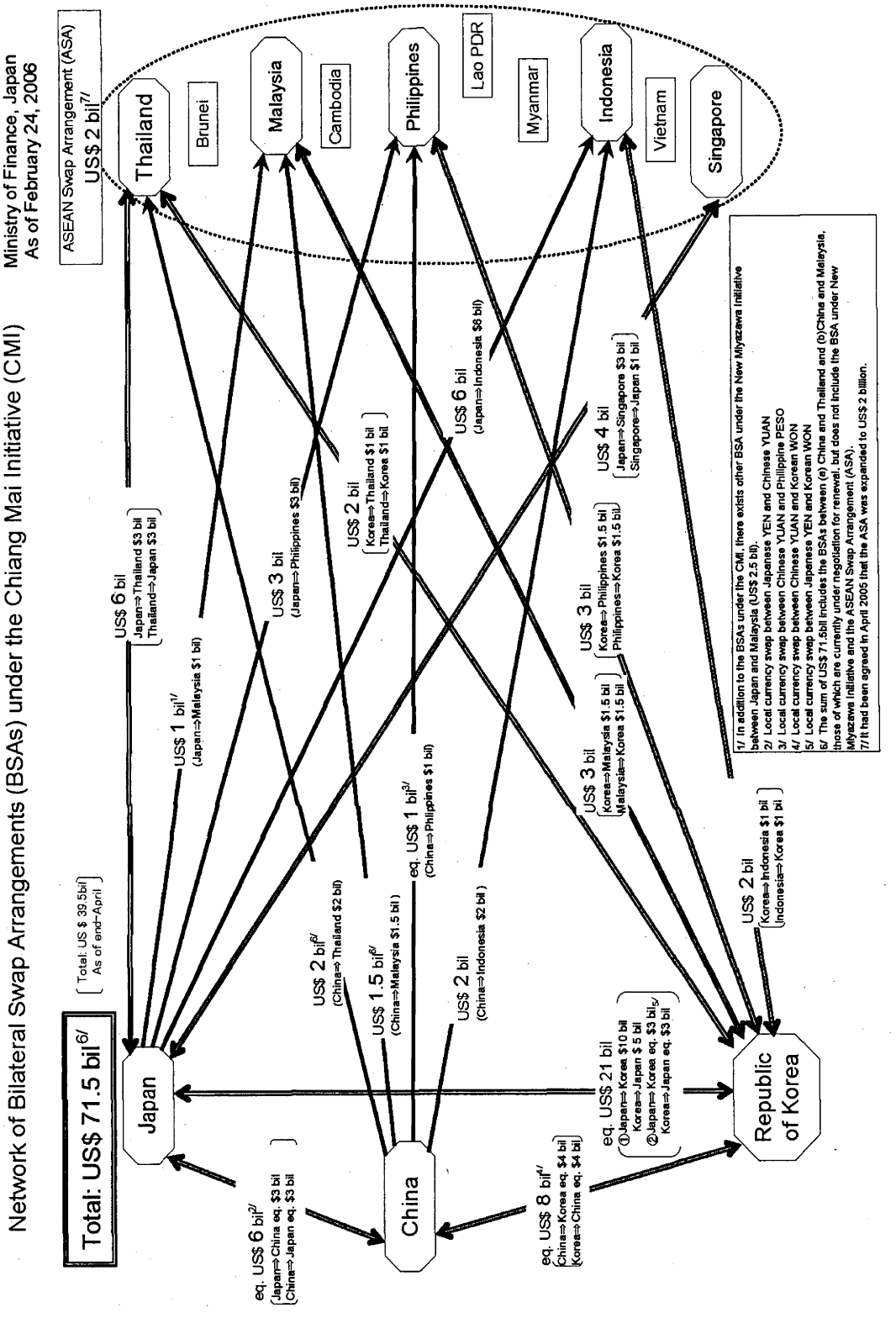

Diagram 5.3 The Network of Bilateral Swap Arrangements (BSAs) under the Chiang Mai Initiative (CMI), *Ministry of Finance Japan Website*, http://www.mof.go.jp/english/if/CMI_060504.pdf, accessed 9 September 2006.

complexity and political sensitivity of expanding the CMI to a greater regional financial system.[144]

While some in the US government argued that the Chiang Mai Initiative was a "far cry" from the Japanese autonomy and leadership seen in the AMF proposal,[145] it also showed signs of being part of a process towards establishing an AMF, as it had also been described as "[representing] another step towards the realisation of an AMF as originally conceptualised."[146] The President and Chairperson of the Board of Directors at the Asian Development Bank, Tadao Chino stated that the CMI was "the first step to [regional] financial integration", and that it prepared the region for a monetary union comparable to the European Union or North American Free Trade Agreement (NAFTA).[147] Chino's statement on Asian monetary union was also supported by Haruhiko Kuroda, who argued that financial and monetary integration "will not be a dream within the next thirty years, presupposing that the political will to do so remains."[148] More importantly, Japan was not alone in its vision for an AMF. Philippines President Gloria Arroyo and Thai Prime Minister Thaksin Shinawatra voiced their support for a common regional initiative,[149] and China's central bank has also investigated such an initiative jointly with Japan.[150] The CMI was therefore a crucial part of keeping the Asian Monetary Fund alive in the discussions of the region, and was indeed part of a longer-term vision for the region.

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143 "Leader: Swap Network", *Financial Times*, 10 May 2000, p. 22.

144 "Asia gives itself more time to review financial exchange safety net", *Reuters News*, 6 April 2004.

145 Eric Altbach argued that, in the CMI, "Japan doesn't get sole credit" and that it was "just a member" because the CMI was closely linked to the IMF and involved a collective currency swap. Eric Altbach, Director for Asian Economic Affairs, US National Security Council, interviewed 15 March 2005, Washington D.C.

146 Amyx, "Moving Beyond Bilateralism?", p. 12.

147 "'Ajia Tanitsu Tsūka wo' Ajia Kaihatsu Ginkō Chino Sōsai Kōen de Uttae" ("A Monetary Union for Asia: ADB President Chino appeals in Speech"), *Asahi Shimbun*, Morning edition, 10 July 2004, p. 12.

148 "Daiōshū ni Manabu Ajia Keizaiken – Haken Shugi sake Tayōsei Ikase"("Lessons from Europe for an Asian Economic Bloc: Avoid Hegemony and utilise Diversity"), *Nihon Keizai Shimbun*, Morning edition, 24 May 2004, p. 5.

149 "Daiōshū ni Manabu Ajia Keizaiken", *Nihon Keizai Shimbun*. Thailand did not renew its currency swap agreement with Japan under the CMI in late July; however, this is seen largely as a re-election stunt by the Thai cabinet, and the Thai Ministry of Finance was in favour of renewal. It is seen that this incident will not derail the economic integration process in the region. See Alan Wheatley, "Thai moves raises questions over Asian economic ties", *Reuters News*, 28 July 2004.

150 "Daiōshū ni Manabu Ajia Keizaiken", *Nihon Keizai Shimbun*.

The East Asian Community

A vision of greater monetary and economic integration was also incorporated in subsequent discussions about establishing an East Asian Community (EAC). While this proposal is still in the early stages, it seeks ultimately to organise an EU-style regional bloc that co-operates on a broad range of issues, such as monetary, finance, trade, investment, energy, technology and security policies and also aims to establish an Asian Currency Union (ACU).[151] The idea for the EAC developed out of ASEAN+3 discussions dealing with the aftermath of the Asian financial crisis, and seeks to formalise further the de facto economic bloc that exists in the region.[152] So far, the EAC is loosely formed around the idea of initially establishing Free-Trade Agreements in the region and liberalised trade and investment.[153] The first East Asian Summit was held in Malaysia in December 2005 as the first formal discussions for creating an EAC.[154] However, there remains ambiguity and contention over the actual membership of states within the proposed EAC. While China in particular argues that EAC membership should be limited to ASEAN + 3 states,[155] others (such as Japan, Singapore and Indonesia) have advocated the inclusion of India, Australia and New Zealand, mainly as an attempt to curtail China's influence in the prospective organisation.[156] However, neither option extended membership to the United States.

The Japanese Ministry of Finance in particular made concerted leadership efforts to establish the EAC, and launched the Asia Bond Website as an initiative to promote transparency in the Asian bond market and to improve the decision-making process for investors and bond-issuing bodies.[157] A MOF executive also mentioned that they were aiming to have concrete plans for the EAC by 2015:

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151 Kuroda, *Gen Kiriage*, pp. 68–69; Higashi Ajia Kyōdōtai Hyōgi Kai (East Asian Community Council), "Tenbō: Higashi Ajia Kyōdōtai" ("Prospects: An East Asian Community"), *Nihon Keizai Shimbun*, 28-part series, 20 October – 26 November 2004.

152 "Gurōbaru Manē", *Mainichi Economist*.

153 Takashi Toriumi, "Autorukku: Higashi Ajia Kyōdōtai—Tsui ni Miete Kita Jitsugen eno Michisuji" ("Outlook: The East Asia Community—At Last the Path to its Realisation can be Seen"), *Shūkan Tōyō Keizai*, 18 December 2004.

154 Satoshi Amako, "Strategic Dialogue required among Japan, the US and China", *Asahi Shimbun*, 15 February 2006.

155 Amako, "Strategic Dialogue", *Asahi Shimbun*; "Asia: dead on arrival; East Asian diplomacy", *The Economist*, vol. 377, issue 8457, 17 December 2005, p. 62; Barry Wain, "East Asia Summit: Exclusive or Inclusive? Rift over countries to be invited, nonmember invitations widens to a point where some observers expect a delay", *Asian Wall Street Journal*, 5 April 2005.

156 Edward Cody, "East Asian Summit marked by Discord, New group's role remains uncertain", *Washington Post*, 14 December 2005; Wain, "East Asia Summit", *Asian Wall Street Journal*.

157 "Tokubetsu Kikaku: Ugoki dashita Higashi Ajia Keizai Kyōdōtai: 3 bu Higashi Ajia Kigyō no Nihon shijyō shinshutsu, konfidensharu 'Higashi Ajia Kinyū kōsō' de shudōken kakuho wo nerau Zaimushō

> Why 2015? Because that is when we anticipate that China will over take Japan in terms of its national power...We would like to take the initiative and have organised this [EAC] plan by then. If we don't do this, Japan will virtually have no presence in East Asia.[158]

While there are similarities between the AMF and the EAC in that they both exclude the United States, the EAC has very different overtones to the AMF proposal because the international circumstances of the region have changed in the last decade. The United States is now in a better position to recognise how an AMF-type institution could function alongside US interests in the region: it can see the utility of having such an arrangement for regional economic stability, and also as a mechanism to engage constructively with China. However, Michael Vatikiotis argues that "[t]he unspoken fear in Washington is that an East Asian Community that excludes the United States could become the core of an alliance against it."[159] It is important then for Japan not simply to turn China into a common enemy of the United States and Japan, but to steer the EAC in such a way that it restrains both US and Chinese dominance.

Building blocks towards an AMF?

While the MFG, NMI and the CMI that resulted in the wake of the Asian financial crisis were much more modest than the original Asian Monetary Fund proposal, should they be perceived as compromises on the AMF? Has Japan indeed failed in its opposition against US and IMF financial biases and in its goal to establish a regional financial architecture? Like the differing development philosophies towards economic reforms in developing economies between Japan and the Washington Consensus, Japan's "failure" to establish a regional financial framework seems to be also a matter of the timeframe in which this question is being asked.

The short-term answer would be that Japan's AMF proposal did fail. While Japan's intentions were to maintain regional monetary stability for the greater goal of stability in global finance, it failed because this particular autonomous policy was deemed to be in conflict with existing institutions, and did not stand up in the face of US objection. However, in the long-term, the various financial and monetary frameworks

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no shitatakasa", (Special Project: East Asia Community Begins to Move Forward: Part 3 East Asian Businesses Move into the Japanese Market, Confidential the Ministry of Finance Shrewdly aims to Secure Leadership in the 'East Asia Finance Plan'"), *Keizaikai*, 11 January 2005.

158 "Tokubetsu Kikaku", *Keizaikai*.

159 Michael Vatikiotis, "East Asia club leaves US feeling left out", *International Herald Tribune*, 6 April, 2005.

that emerged in the years since have kept alive the long-term goal of regional monetary stability and, from this perspective, Japan's autonomous initiative is still under discussion. Furthermore, the initiatives are not as blatantly in conflict with the IMF, and now sit even more within the overall US hegemonic framework.

The perception that the AMF proposal is not yet dead is seen in many parts of the Japanese government. Japanese officials, such as Hiroshi Watanabe, Deputy Vice-Minister for Policy Co-ordination in the Bureau of International Affairs, Ministry of Finance, have expressed the view that those bilateral monetary swap programs that Japan was leading in the Asian region supplemented IMF funds, and should be expanded, and that while there were still difficulties in establishing an AMF type institution, it remained a longer term goal.[160] This opinion was echoed by Haruhiko Kuroda, former Vice-Minister of Finance for International Affairs, who stated at an address in Jakarta in May 2002 that "Japan had not necessarily abandoned the AMF. It is something that should be aimed to be achieved in the mid- to long-term future", and that "the introduction of an Asian common currency was not an inappropriate goal" for the region.[161] The Chairman of the Japan Federation of Economic Organisations (*Nihon Keidanren*), Hiroshi Okuda, also advocated his support and argued: "It is essential to advance regional co-operation through the creation of things like the AMF so that a free-trade area can operate smoothly."[162] The potential creation of a future AMF is aided by the easing of US threat perceptions towards Japan, and the United States now sees the utility of such an institution in curtailing the rapid spread of financial and monetary instability, and also in keeping China's influence in the region under check.[163] Former Foreign Minister Kōji Kakizawa argues that Japan needs to convince the United States that the proposed "enlightened regionalism" is in step with US interests.[164]

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160 "Ajia Tsūka Kikin no Setsuritsu niwa Izen toshite Jikan ga Hitsuyō: Watanabe Zaimu Shingikan" ("The Establishment of an Asian Monetary Fund still Necessary: Deputy Vice-Minister Watanabe"), *Reuters Japan*, 5 April 2002.

161 "Kuroda Zaimukan: 'Ajia Kyōtsū Tsūka wa Kanō Indoneshia de Kōen" ("Kuroda Vice-Minister of Finance: 'An Asian Common Currency is Possible' in an Address in Indonesia"), *Mainichi News Sokuhō*, 29 May 2002.

162 "Higashi Ajia Shokoku to FTA Kōchiku wo = Nōgyō Kaihō ni Muke Sannyū Hitsuyō" ("The Creation of a FTA with the Countries of East Asia: Preparations for Entry through the Liberalisation of Agriculture Necessary"), *Jiji Tsūshin*, 6 February 2003.

163 "Higashi Ajia Kyōdōtai Kōsō: Hirakareta Chiiki Tōgō Jitsugen wo, Kokusai Fōramu ga Teigen" (The AMF plan: Realising an Enlightened Regional Integration proposed by International Forum"), *Yomiuri Shimbun*, 26 June 2003, and Toriumi, "Autorukku: Higashi Ajia Kyōdōtai".

164 Kōji Kakizawa as quoted in "Higashi Ajia Kyōdōtai kōsō", *Yomiuri Shimbun*.

Can a regional fund be compatible with the IMF?

Given the potential utility of a regional monetary mechanism, the discussion needs to consider what consequences a future AMF would have on the position of the United States in the Asian region. Would a regional monetary fund undermine US hegemony? Asia still depends heavily on the United States for economic and strategic stability and, therefore, proposals for a regional monetary fund must consider how it can co-operate with existing monetary and financial mechanisms led by the United States. The crucial question about Japan's leadership in creating a regional economic system is whether it will be designed to provide temporary liquidity support, prevent financial crises or help in the resolution of these crises once they have begun, and whether a regional mechanism will serve needs better than a global institution.

The IMF does not currently provide short-term liquidity support. Therefore, in this respect, there is no tension in the roles between potential regional arrangements and existing global institutions.[165] As mentioned previously, the greatest tension lies in whether a regional fund would cause moral hazard and undermine the authority of the global institution. Those in support of a regional institution firstly maintain that the global versus regional argument assumes that a regional fund is inherently redundant or in competition with the global institutions. It is quite possible that the best solution for the region is to have a combination of the two, given that sound understanding of the economic, institutional and market processes in the region is likely to come from the region, and experience in dealing with financial reform and surveillance from global institutions.

Secondly, supporters of a regional institution argue that the regional/global divide does not focus on which form might actually be better for regional stability. At the beginning of the Asian financial crisis, the IMF failed to gain international support outside the region, which weakened its credibility. A regional economic institution, on the other hand, would commit its members to supporting each other, and could also provide a means to support its members in larger international institutions such as the IMF. Again, in this instance, co-operation between regional and global economic arrangements would be the most beneficial solution for the region.

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[165] De Brouwer, "The IMF and East Asia", p. 18.

Thirdly, the argument that policy consistency can be better maintained at a global level is weak, given that the IMF has strong political pressures from the United States and is therefore not always consistent in its programs.[166] A regional economic mechanism would not necessarily disrupt global mechanisms to maintain stability in the region, but could help to assist or balance the political biases that the global institutions might hold.

Fourthly, besides the economic influence of the United States through the IMF, there is the other crucial strategic factor in the region that is critically dependent on the United States. Economic stability cannot be achieved without political stability in the region, and a US military presence is an essential factor in maintaining this situation. Consequently, despite the disappointing response by the United States during the Asian financial crisis, Asian states are reluctant to establish a regional financial architecture that is explicitly in conflict with the United States or the IMF. This dilemma has been made easier with the US change in attitude towards Asian regionalism, and Japan's initiatives in the region were more greatly appreciated when the financial crisis spread beyond Asia to Russia and Brazil.[167] Furthermore, the IMF had undergone reforms reflecting the lessons learnt from the Asian financial crisis, meaning that IMF compatibility with regional networks such as the NMI, the CMI and potentially the EAC was subsequently quite different in nature to IMF policy in 1997.[168] When these four factors are considered, Japan's proposal to establish a regional monetary fund should not be seen as a move away from existing structures, and indeed the potential for a regional and global monetary fund to work co-operatively should be recognised.

Conclusion: The AMF and Japanese autonomy?

This chapter showed that the AMF proposal was an autonomous policy that actually originated from internal Japanese ideas, as opposed to an external benchmark. It was an initiative that critically questioned blind economic modernisation in order to "keep up" with a Western model, and represented an initiative that recognised the changes or *kussetsu* that Western ideas undergo when encountering the non-West.

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166 De Brouwer, "The IMF and East Asia", pp. 18–21.

167 Tadokoro, "The Asian Financial Crisis", p. 236.

168 Amyx, "Moving Beyond Bilateralism?", p. 16.

However, Japan also recognises the vital role that the United States plays in regional security and economic stability. In addition to this, the United States is an important economic partner and, therefore, US-Japan relations have been a priority in Japanese foreign policy, as argued in the previous chapters. However, this does not mean that Japan is satisfied with the relationship on all fronts and, as the second largest economy in the world, it has enough confidence and leverage over the United States to voice these objections without necessarily challenging outright the US position as the global hegemon. The Asian financial crisis was just such an example. The fact that it made such a sudden proposal and that it eventually took US criticisms and demands into account in the post-AMF proposal currency network strongly suggested that Japan was aware of the objections that it would face from the United States, and employed the tactic to deal with this restriction.

This chapter set out to answer three specific questions. Why did Japan make such a controversial proposal that outwardly seemed to challenge the United States and the IMF? How did the United States and the IMF respond to the AMF, and how did Japan overcome various objections to keep the AMF vision afloat? There were three main reasons why Japan made such a controversial proposal. Firstly, both the IMF and the United States were inefficient in responding to the Asian financial crisis and, furthermore, both misdiagnosed the situation. Thus, had the United States and that IMF response been more efficient and accurate, Asia might not have perceived the need for a regional mechanism. Moreover, as a consequence of US and IMF's failings, Japan took the initiative to prepare for a regional approach to future crises, which was supported by the region. Secondly, Japan and the countries hit directly by the crisis were disillusioned by the double standards of the IMF and the United States. While stating their concerns about the "moral hazard" an AMF could create in the region, the IMF was far more lenient in the reforms prescribed for Russia, and the United States contradicted its opposition to state intervention in neo-liberal economics through its involvement in the LTCM hedge fund bailout. Thirdly, Japan's AMF proposal revealed fundamental differences between the economic development philosophies of Japan and the United States. Japan recommended the creation of an AMF in the region because it believed that economic development would benefit from gradual economic liberalisation based on the economic and social capabilities, rather than the "big bang" approach of the Washington Consensus. Japan also believed that the state should mediate to realise stable and faster economic development in the long-term. The AMF would have

reflected these values which Japan viewed as being more suited to the economies of the region.

The United States and the IMF initially responded to the AMF with strong objections, and ultimately quashed its realisation in the short-term. However, Japan overcame these objections by establishing informal alternative financial and monetary networks in the region. The new networks represented steps towards establishing an AMF in the long term and Japan's change of the timeframe for the established of a future AMF. The Manila Framework Group, the New Miyazawa Initiative, the Chiang Mai Initiative, and subsequently the proposal for an East Asia Community, all represent Japanese-led arrangements that have modified Japan's position on excluding the United States, and which keep alive discussions on eventually forming a formal regional economic network. However, although far from the original proposal for the AMF, they represent neither failure nor signify the helplessness of Japan in the face of the United States. Rather, in order to better exercise autonomy in its foreign economic policy, Japan made adjustments to the AMF proposal and the timeframe in which it would be realised. More importantly, the utility and need for such an institution is still recognised today and, because of this, the United States has changed its attitudes toward the idea. In addition, the rise of China as a potential regional power has altered US perceptions of an AMF could potentially help to maintain United States' position in Asia.

Finally, on the question of whether the AMF proposal signified a move away from US influence, the answer is two-fold. The AMF proposal without doubt signified Japan's leading the region away from dependence on the United States or, more specifically, it signified a move away from the dominance of the dollar. Many of the region's currencies were pegged to the US dollar, and Japan's initiatives were certainly an attempt to move away from this framework. Furthermore, the US response to the Asian financial crisis "radically affected the region's perception of the United States as a reliable partner *in the domain of international finance*"[169] and, in this sense, the AMF was an autonomous Japanese proposal that represented a movement away from IMF and US influence. On the other hand, because of the central role played by the United States in other domains, this was not necessarily autonomy *against* US hegemony in the region as a whole. Japan, and many of the other countries within the region, recognised the vital role of the United States in regional security and trade. The challenge of Japan's

[169] De Brouwer, "The IMF and East Asia", pp. 5–6.

AMF proposal was not only to promote the AMF proposal, but also to maintain the strategic, economic and financial involvement of the United States in a way that was compatible with regional needs.

Therefore, the Asian Monetary proposal was a good example that supported many of the arguments of the overall study on Japanese autonomy. It firstly demonstrated that Japan's scope of autonomy, and its success in achieving it, were influenced significantly by how its intentions were perceived by the United States. The United States saw the AMF as a potential threat to existing economic and financial institutions in the region, and therefore quashed this initiative. However, because it is more influenced by a perception of hegemony than anarchy, Japan not only tried to initially push the proposal through, but also conceded under strong US criticism. Finally, these two observations mutually support that Japanese autonomy is more limited and restricted by US hegemony, which makes it unable to act as freely as theorised in rationalist theories.

The next chapter presents the final example of Japanese autonomy, and analyses Prime Minister Junichirō Koizumi's visit to Pyongyang in September 2002, a surprise Japanese diplomatic manoeuvre that was not communicated to the United States beforehand. The visit was particularly controversial because of the US hard-line position towards North Korea in the context of the "War on Terror".

CHAPTER SIX

MILITARY STRIKES, SANCTIONS OR ENGAGEMENT? JAPAN'S RELATIONS WITH NORTH KOREA

As a final example of restricted Japanese autonomy in the context of US hegemony, this chapter investigates Japan's relations with the Democratic People's Republic of Korea (DPRK or North Korea). It contrasts Japan's post-1945 relations with the DPRK with US-DPRK relations in order to uncover how Japan negotiated its interests with the DPRK in the context of its relations with the United States.

As discussed in previous chapters, the most significant reason for Japan aligning closely with the United States in the post-1945 period was to ensure economic recovery in the immediate aftermath of the Second World War and national security during the Cold War. The need to remain aligned perpetuated even after the end of the superpower conflict as global instabilities continued. Yet, despite Japan's dependence on the United States, differences between their policies towards North Korea have persisted. Since the Second World War, Japan has chosen to engage with North Korea in much the same fashion as with Iran, contrary to the US position. In particular, Japanese Prime Minster Junichirō Koizumi's visit to Pyongyang in 2002 represented a move that was received unfavourably by the United States but went ahead nonetheless. This example is therefore comparable to the previous two examples, and Japan's relationship with the DPRK represents an important example of autonomy in Japanese foreign policy.

However, more importantly, while Japan's interactions with the DPRK were undertaken despite opposition from the United States, they were rarely uncompromisingly in opposition to US policy. Masao Okonogi's description of Koizumi's first journey to Pyongyang is particularly indicative of this point. He described the visit as "far-sighted and level-headed diplomacy that skilfully combined co-operation with the United States with independence away from the US".[1] This restricted autonomy or *jishusei* (自主性) that Okonogi raises is the central focus of this study and also this chapter. Japan's concerns for US interest suggest the limitations of it

[1] Masao Okonogi, in Masao Okonogi, Hajime Izumi, Sang Jung Kang, Naoki Mizuno and Jong Wong Lee, "Sōgō Tōron: Nicchō Pyonyan Sengen no Rekishiteki Kokusaiteki Igi" (General Discussion: The Historical and International Significance of the Japan-DPRK Pyongyang Declaration"), in Sang Jung Kang, Naoki Mizuno and Jong Wong Lee (eds.), *Nicchō Kōshō: Kadai to Tenbō* (Japan-North Korea Negotiations: Issues and Prospects), Tokyo, Iwanami Shoten, 2003, p. 4. The Japanese reads, 「対米協調と対米自主を巧みにブレンドした・・・外交」.

exercising what Held called "ideal autonomy" within the broader parameters of US hegemony, and makes autonomy narrower and achieved within US interests.

This chapter seeks to answer the following three questions: What were the reasons behind Japan's decision for engagement, despite the hard-line position of the United States toward the DPRK? How did the United States perceive Japan's position? And finally, how did Japan overcome the restrictions imposed by US interests and were Japanese policies in conflict with broader US interests? The chapter answers these by comparing Japanese and US relations with the DPRK from 1945 until 1992, and investigating in greater detail the Japanese and US position during the first and second North Korean nuclear crisis, and also Koizumi's visit to Pyongyang. By analysing these episodes in detail, the chapter highlights the particular circumstances in which Japan's autonomy is negotiated and how Japanese goals are achieved.

The North Korean issue was influenced by a small number of officials close to Koizumi, and thus, some may argue that Koizumi's visit to the DPRK is not an appropriate example representing a Japanese worldview on US hegemony. The negotiations were advanced under the leadership of Hitoshi Tanaka, former Deputy Minister of Foreign Affairs, who was the Director General of the Asian and Oceanic Affairs Bureau at the time of Koizumi's visit to Pyongyang. It is true that Koizumi's Pyongyang initiative invoked criticism from within the Japanese government, which suggested that the move did not have wider Ministry and government support, and that many perceived that stronger mechanisms were required to prevent the endangering of the US-Japan alliance.[2] Tanaka was also known as a bureaucrat who harboured strong desires for greater autonomy from the US-Japan alliance, and had similarly demonstrated his support for autonomous policies during the revision of the US-Japan Guideline for Defence Co-operation in the late 1990s.[3] However, a senior Japanese government official stated that "Koizumi's efforts [were] appreciated by everyone", suggesting that Tanaka's initiative was supported more widely than anticipated.[4] Thus, whilst Tanaka's view on the US and North Korea may not reflect a mainstream position

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2 Chūō Kōron Editorial Division, "Nichi-Bei Dōmei wo mushi shita 'Tai-Bei Himistu Gaikō'", ("'Secret Diplomacy towards the US' that ignored US-Japan Alliance Protocol"), *Chūō Kōron*, vol. 117, issue 1423, no, 12, December 2002, pp. 38–45, p. 45.

3 Chūō Kōron Editorial Division, "Nichi-Bei Dōmei wo mushi shita 'Tai-Bei Himistu Gaikō'", p. 45. Tanaka at the time encouraged a guideline that moved away from the traditional US-Japan security framework and this was supported by bureaucrats from the Japanese Self-Defence Force who were unhappy about being an "underclass organisation of the US military".

4 Saiki, Deputy Director-General, Asian and Oceanian Affairs Bureau, interviewed 13 December 2004, Tokyo.

in the Ministry of Foreign Affairs, it was one that was recognised as being significant within the Japanese government and the Prime Minister himself. Therefore, this thesis argues that Koizumi's DPRK initiative is an example in Japanese foreign policy that is representative of Japanese worldviews on US hegemony.

The discussion of autonomy in Japan's relationship with the DPRK begins firstly with an account of its relationship with the DPRK immediately following the Second World War II and the historical, social and domestic factors that led Japan to a policy on North Korea that differed from that of the United States. The second section analyses Japanese policy towards North Korea in the first Korean nuclear crises in the 1990s and the second in 2002. The third section then examines Koizumi's first visit to Pyongyang, and the subsequent Pyongyang Declaration in the context of the George W. Bush administration's foreign policy at the time. Finally, the chapter assesses the developments after Koizumi's visit, in particular the Six Party Talks. The purpose of this survey is to outline the historical context and complexities of the Japan-DPRK relationship and also to analyse the patterns of North Korean policy as an example of Japanese autonomous policy. The chapter concludes by analysing the character of Japanese autonomy as pursued in the case of North Korea, how it is maintained in policy negotiations, and the reasons behind Japan following an autonomous line of policy from the United States.

Origins of Japanese Autonomous Policy towards the DPRK: US-Japan-DPRK Relations 1945–92

At various points in its post-1945 relations with the DPRK, Japan has held a fundamentally different position from the United States despite Cold War politics and Japan being mindful of US reactions to Japanese initiatives towards the North. The following section briefly discusses Japanese and US relations with the DPRK from 1945 until 1992. This timeframe roughly coincides with the Cold War period, and shows the historical background to both states' current policies toward North Korea by revealing that Japan's decision to take an alternative position to US policy emerged just after the Second World War. Japan's DPRK policy can be explained by both domestic factors and the history of Japan's relations with the Korean Peninsula. These factors help to explain why Japan needed to combine its engagement with the DPRK with its co-

operation with the United States and why it practises restricted autonomy under US hegemony.

The Japanese Position: 1945–1992

Japan had an intermittent process of political dialogue and economic ties with North Korea throughout the post-1945 period and also within a couple of years after the end of the Korean War, making Japan's interactions with the DPRK significantly greater than that of the United States. The DPRK was a point of some anxiety for the United States, particularly because the Soviet Union and China had trained and armed the DPRK not long after the end of the Second World War. At least 10,000 North Korea youths were taken to the Soviet Union for military training, and the Korean Volunteer Army that had fought in the Chinese Civil War was trained by China.[5] However, the United States had not anticipated a major military conflict so soon after the Second World War and had therefore downsized its forces between 1945 and 1950. The US downsizing and the so-called "Acheson Declaration"[6] emboldened the DPRK to attack South Korea, which ushered in the Korean War on 25 June 1950.[7] The Korean War lasted three years and an armistice was concluded between the military commanders of the North Korean Army, the Chinese People's Volunteers and the United Nations Command on 27 July 1953.[8]

Japan's position of engagement was influenced firstly by the existence of a significant Korean minority living in Japan. Both Japan and Korea have Korean and Japanese minorities in their populations due to the long history of engagement between the two countries.[9] In addition to this, Koreans were brought to Japan as forced labour during the Second World War, of which approximately 600,000 remained.[10] Some of

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5 Miriam S. Farley, "Crisis in Korea", *Far Eastern Survey*, vol. 19, no. 14, August 1950, pp. 149–56, pp. 150–51.

6 The then Secretary of State Dean Acheson gave a statement on 12 January 1950 at the National Press Club that the United States would maintain a "defensive line" in the Pacific that went from Alaska, to Japan and Okinawa and the Philippines and would not interfere with the issues between China and Taiwan. See Takeshi Igarashi, *Nichi-Bei Kankei to Higashi Ajia; Rekishi teki Bunmyaku to Mirai no Kōsō (US-Japan Relations and East Asia: Historical Context and Ideas for the Future)*, Tokyo, Tokyo University Press, 2001, p. 120.

7 Igarashi, *Nichi-Bei Kankei to Higashi Ajia*, p. 121.

8 Young Whan Kihl, "North Korea in 1983: Transforming 'The Hermit Kingdom'? (A Survey of Asia in 1983: Part I)", *Asian Survey*, vol. 24, no. 1, January 1984, pp. 100–11, p. 106.

9 A Japanese attack on the Korean Silla Kingdom was made under Hideyoshi Toyotomi as part of its major expansion on to the Chinese mainland in the 16th century. See Don Oberdorfer, *The Two Koreas: A Contemporary History*, New York, Basic Books, 2001, p. 4.

10 Oberdorfer, *The Two Koreas*, p. 53; Chung Dae-Kyun, "Japan's Korean Community in Transition", *Japan Echo*, vol. 30, no. 2, April 2003, pp 30–33, pp. 30–31. Koreans in Japan were often in low-paying jobs, and even those born and raised in Japan who were unable to speak Korean could not

these Korean residents in Japan were sympathetic to the North and illicitly sent funds to the DPRK with the assistance of credit unions associated with the pro-North Korean *Chongryun*, or *Chōsen Sōren* (General Association of Korean Residents in Japan).[11] Therefore, it was important for the Japanese government to maintain open diplomatic channels with North Korea in order to prevent Japan's ethnic minority from becoming a source of domestic instability.[12]

The second influence on Japan's engagement with the DPRK were the economic and political ties established in the early post-1945 period through the repatriation of Korean residents back to North Korea.[13] Despite DPRK criticism of Japan's colonial past, its discrimination of Koreans living in Japan and its active contribution of stevedores and other personnel, minesweepers, and training areas for US forces during the Korean War,[14] as early as 1955 official statements from the North Korean government called for the normalisation of relations with Japan.[15] The repatriation scheme of Korean citizens to the DPRK was seen as a potentially central factor in this process and the scheme was also seen as generating positive economic growth in the port cities on the Sea of Japan.[16] Repatriation began in 1955, principally from ports in Nīgata Prefecture and, consequently, the general outlook between the two countries in the early post-Second World War period was positive. There were even assumptions during this period that relations between the two countries would be normalised within 10 to 15 years.[17]

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easily become Japanese citizens and many, until recently, were registered as foreigners. Since the mid-1990s, resident Koreans have been acquiring Japanese citizenship at the rate of about 10,000 per year.

11 While this number may seem insignificant given Japan's current population is approximately 127 million (see "The Population Japan", *The CIA World Fact Book*, http://www.cia.gov/cia/publications/factbook/rankorder/2119rank.html, accessed 22 June 2006), foreign residents only make up approximately 1 percent of this figure. Within this 1 percent, approximately 57 percent are Koreans, making them a significant minority group within Japan. See Tsutomu Nishioka, "North Korea's Threat to the Japan-US Alliance", *Japan Echo*, vol. 30, no. 2, April 2003, pp 38–43, pp. 39–41. Also see Nicholas Eberstadt, "Financial Transfers from Japan to North Korea: Estimating the Unreported Flows", *Asian Survey*, vol. 36, no. 5, May 1996, pp. 523–42.

12 Chung, "Japan's Korean Community in Transition", p. 32.

13 Kōichi Ishizaka, "Nicchō Kankei Kanren Shiryō" ("References related to Japan-DPRK relations"), in Sang Jung Kang, Naoki Mizuno and Jong Wong Lee (eds.), *Nicchō Kōshō: Kadai to Tenbō* (Japan-North Korea Negotiations: Issues and Prospects), Iwanami Shoten, Tokyo, 2003, pp. 231–46, pp. 232–33.

14 William J. Sebald, *With MacArthur in Japan: A Personal History of the Occupation*, London, Crescent, 1965, pp. 198–99.

15 Ishizaka, "Nicchō Kankei Kanren Shiryō", pp. 232–33.

16 Ishizaka, "Nicchō Kankei Kanren Shiryō", pp. 232–33.

17 Ishizaka, "Nicchō Kankei Kanren Shiryō", pp. 232–33.

While Japan's relations with North Korea were briefly interrupted when the DPRK rejected the legitimacy of normalisation between Japan and the Republic of Korea (ROK or South Korea) on 22 June 1965,[18] there were two reasons why relations resumed. Firstly, the DPRK found itself increasingly isolated internationally, after declaring itself independent of both the communist and Western blocs in the Cold War.[19] Thus, relations with Japan continued to be an attractive option for North Korea. Secondly, Japan also reconsidered improving its relations with North Korea after the Sino-American rapprochement of the 1970s. Umio Ōtsuka argued:

> Tokyo's pursuit of an autonomous security policy derived from scepticism toward...the Nixon Doctrine. The US-Sino diplomatic negotiations [that occurred] without any consultation with Japan, promoted [Japan's] relationship with North Korea.[20]

In other words, Japan's engagement with the DPRK was also a measure to ensure that the United States did not unexpectedly resume diplomatic relations with North Korea without consultation with Japan, as it had done in the case of China.[21] Therefore, while it maintained co-operation with the United States and South Korea, Japan adopted a policy of *seikei bunri* (meaning the separation of politics and economics), and continued a "two Koreas policy" by sustaining relations with both North and South Korea.[22]

The official Japanese justification for maintaining relations with the DPRK during the 1970s was "to bring about correct mutual understanding"[23], and so that Japan could act as a mediator between not only the two Koreas, but also the United States and North Korea.[24] The League for the Promotion of Japan-DPRK Friendship, established in 1971,

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18 M.T. Haggard, "North Korea's International Position" *Asian Survey*, vol. 5, no. 8, August 1965, pp. 375–88, p. 384.

19 While the DPRK enjoyed stable relations with the Soviet Union under Josef Stalin's rule in the early 1950s, after Stalin's death and the increase of anti-Stalinism within the Soviet Union, North Korea could no longer rely on the communist superpower. It then turned to China in the late 1950s to the early 1960s, but fell out of favour with the Chinese government after the Cultural Revolution of 1964. See Masao Okonogi and Jong Wong Lee, "Kita Chōsen no Kaku ni dō taisuru bekika" ("How should North Korea's nuclear issue be dealt with?"), *Sekai*, vol. 716, July 2003, pp. 53–64, p. 55.

20 Umio Ōtsuka, "Prospects for Japan-Korea Defense Cooperation: Partners or Rivals", Robert Dujarric (ed.), *The Future of Korea-Japan Relations: Proceedings of the Hudson Institute/East Asian Security Study Group Conference, 1997*, Indianapolis, Hudson Institute, 2001, pp. 41–63, p. 43.

21 Ōtsuka, "Prospects for Japan-Korea Defense Cooperation", p. 44.

22 Jung Hyun Shin, *Japanese-North Korean Relations: Linkage Politics in the Regional System of East Asia*, Seoul, Kyunghee University Press, 1981, pp. 133–35.

23 United States Joint Publication Research Service, *The Japan Report*, vol. 22, no. 5, 1 March 1976, p. 1–24, p. 18.

24 Seung K. Ko, "North Korea's relations with Japan since Détente", *Pacific Affairs*, vol. 50, no. 1, Spring 1977, pp. 31–44, p. 32.

signed the Japan-DPRK Trade Promotion Agreement.[25] The then Foreign Minister Masayoshi Ohira (who became Prime Minister in 1978) voiced his support for the expansion of ties with North Korea through economic, cultural, humanitarian ties and sporting links in a diplomatic speech in 1974.[26] In the same year, 30 delegates visited Tokyo for the Inter-Parliamentary Union, and the head of the Asia Bureau in the Japanese Ministry of Foreign Affairs, Masuo Takashima stated that "North [Korea] was not a threat".[27] This comment was criticised by South Korea and the United States, but it signalled closer political ties between Japan and North Korea. North Korea also began showing flexibility by changing its position on Japan-ROK relations. Initially, Kim Il-Sung argued that normalisation with Japan could not proceed unless the normalisation treaty with South Korea was invalidated, but in 1972 he changed this position in a statement to the *Yomiuri Shimbun*.[28]

However, from 1974 onwards, the tempo of normalisation negotiations began to lag and the increasing importance of Japan's relationship with South Korea meant that the economic ties with the DPRK did not expand in real terms.[29] The oil crisis also caused North Korea economic difficulties, making it unable to repay ¥60 billion in loans back to Japan.[30] These economic obstacles in the DPRK, combined with increased co-operation between Japan, the United States and the ROK, became the backdrop for an increasingly isolated and aggressive North Korea.[31] Kōichi Ishizuka suggests that the increasing co-operation between these three states was one reason which led to the abduction of Japanese citizens—predominantly in 1977 and 1978.[32]

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25 Ko, "North Korea's relations with Japan since Détente", p. 35.

26 Masayoshi Ōhira, "Dai 72kai Kokkai Jyōkai Gaikō Enzetsu" ("Diplomatic speech in the 72nd Normal session of the National Diet of Japan", *Sekai to Nihon Dētābēsu (The World and Japan Database)*, University of Tokyo Institute of Oriental Culture Website, http://www.avatoli.ioc.u-tokyo.ac.jp/~worldjpn/documents/texts/fam/19740121.SXJ.html, accessed 29 June 2006.

27 Masuo Takashima, 73rd National Diet Session, Third Account Settlement Committee Meeting, 10 September 1974, *National Diet Sessions Upper House Meeting Records*, http://kokkai.ndl.go.jp/SENTAKU/sangiin/073/1410/07309101410003c.html, accessed 21 August 2006. The statement in Japanese reads 「北の脅威はない」.

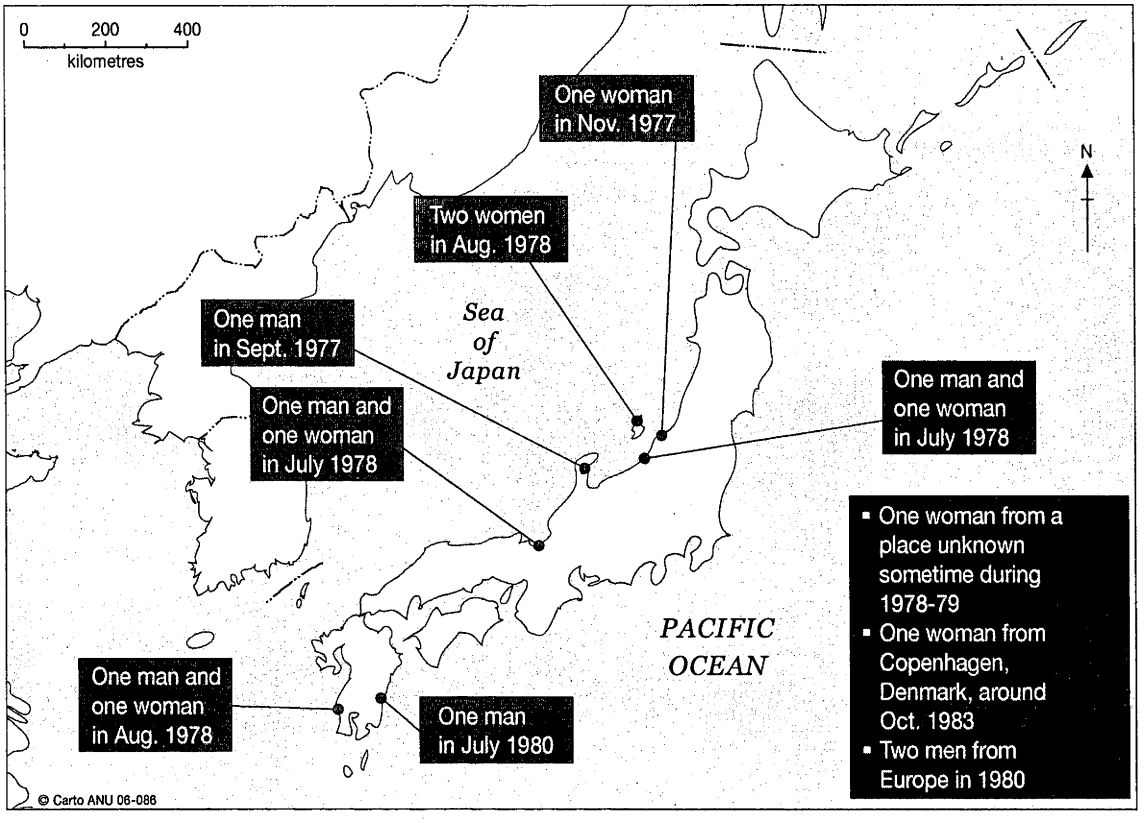
28 Statement to the Yomiuri Shimbun said that Japan and North Korea should work towards "closer and friendlier" relations. See "Nihon to Kita Chōsen: Chikakute Shitashī Kuni ni" ("Japan and North Korea: Closer and Friendlier"), *Yomiuri Shimbun*, 1 January 1972.

29 Ko, "North Korea's relations with Japan since Détente", pp. 40–41.

30 Ko, "North Korea's relations with Japan since Détente", pp. 40–41.

31 Ishizaka, "Nicchō Kankei Kanren Shiryō", p. 236.

32 Ishizaka, "Nicchō Kankei Kanren Shiryō", p. 236.



Map 6.1 A map of suspected abductions of Japanese nationals as of 10 February 2003, from *East Asian Strategic Review*, Tokyo, The National Institute for Defence Studies, 2003, p. 24.

Acts of terror continued in the 1980s with the bombing of Rangoon in 1983 when the South Korean president visited Burma, and a Korean Airlines airliner in 1987.[33] While Japan retaliated against the incident in Burma with sanctions in November 1983, it also found itself in a delicate position after the arrest of two Japanese citizens in North Korea accused of being spies, in what became known as the Fujisanmaru incident.[34] Japan's sanctions were, therefore, low-key.[35] Japan again began to initiate normalisation negotiations and soon ended these sanctions in January 1985, but, under US pressure, it again placed sanctions on North Korea in January 1988 in protest against the Korean Airline bombing.[36] Thus, the economic sanctions that Japan imposed on North Korea

[33] "Controversy Surrounds KAL Bombing Case", *Chosun Ilbo*, 6 July 2004, http://english.chosun.com/w21data/html/news/200407/200407060043.html, accessed 10 August 2004.

[34] A North Korean former soldier was found to have secretly boarded a Japanese ship, the Fujisanmaru. When he was handed over to the Maritime Safety Agency and returned to North Korea on the same ship, the captain Isamu Beniko and chief engineer Yoshio Kuriura were arrested upon reaching the DPRK and accused of being Japanese spies. They were sentenced to 15 years in jail. Ishizaka, "Nicchō Kankei Kanren Shiryō", p. 237.

[35] In response to the Rangoon incident, Japan placed restrictions on the entry of North Koreans into Japan and also restriction on the travel of Japanese nationals to, and interaction with, the DPRK. See *Gaikō Seisho 1984 (Diplomatic Bluebook for 1984)*, Tokyo, Public Information Bureau, 1985, pp. 428–29.

[36] After the KAL bombing, the then U.S. Secretary of State George Schultz designated North Korea as a country supporting terrorists. Since then, the United States has demanded (as conditions for taking North Korea off the list) that the Japanese kidnapping issue be settled; the Japanese Red Army members who fled to North Korea after hijacking a Japanese airliner in 1970 be sent to Japan;

during the 1970s and 1980s were relatively short and were often instated under pressure from the United States.

The Japanese government reverted to its line of engagement with the DPRK and issued a statement in January 1989, which indicated that it did not maintain a hostile policy toward North Korea, and was prepared to "enter discussions of any type...on the entire range of peninsula issues with no preconditions whatsoever."[37] In September 1990, a delegation of senior Liberal Democratic Party (LDP) and Socialist Democratic Party of Japan (SDPJ) members led by the then Deputy Prime Minister Shin Kanemaru visited North Korea.[38] The Fujisanmaru Incident was resolved during this visit, and Japan promised "appropriate reparations" once normalisation was achieved.[39] A Three Party Declaration was also signed on 28 September, which started the process of negotiations between the DPRK and Japan on 30 January 1991 in Pyongyang and spanned across eight rounds that concluded on 5 November 1992.[40] Japanese negotiators placed on the agenda issues such as the abducted Japanese citizens and suspicion over North Korea's nuclear development, both of which were sensitive issues for the North Koreans, and because of this, negotiations broke down.[41] From this point onwards, the DPRK shifted its efforts to achieving direct negotiations with the United States, rather than concentrating on normalising its relations with Japan.[42]

The US Position towards the DPRK and attitudes towards Japan-DPRK relations

While Japan had engaged with the DPRK, by contrast the US policy toward North Korea was marked by political distance and economic non-particularity after the Korean

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apology for the KAL bombing; and agreement by North Korea to include itself in all anti-terrorism agreements. See "Controversy Surrounds KAL Bombing Case", *Chosun Ilbo*, 6 July 2004, http://english.chosun.com/w21data/html/news/200407/200407060043.html, accessed on 10 August 2004.

37 "Tekishi sezu to Gaimushō ga Kyōchō" ("The Ministry of Foreign Affairs emphasises that Japan does not hold a hostile view"), *Asahi Shimbun*, 21 January 1989. MOFA made this statement just before a delegation of DPRK Worker's Party entered Japan at the invitation of the Japan Socialist Party. The statement reads, 「日本政府は北朝鮮を敵視しておらず、南北を分断固定化する意図もない・・・日朝間のすべての側面について前提なしに話し合う用意がある」.

38 "Nicchō 3tō Kyōdō Sengen no Zenbun" ("Full text of the Japan-DPRK Three Party Joint Declaration"), *Nihon Keizai Shimbun*, 29 September 1990, p. 7.

39 "Nicchō 3tō Kyōdō Sengen no Zenbun".

40 Keitarō Oguri, "In search of Rapprochement: Tokyo and Pyongyang," *Japan Quarterly*, vol. 38, no. 3, July 1991, pp. 262–71, p. 264; Janice M. Heppell, "Confidence-Building Measures: Bilateral versus Multilateral Approaches", in Young Whan Kihl and Peter Hayes (eds.), *Peace and Security in Northeast Asia: The Nuclear Issue and the Korean Peninsula*, New York, M.E. Sharpe, 1997, pp. 269–301, p. 285.

41 Ishizaka, "Nicchō Kankei Kanren Shiryō", pp. 240–41.

42 Ishizaka, "Nicchō Kankei Kanren Shiryō", pp. 240–41.

War. US apprehensions over North Korea were dictated by its concerns to maintain advantage in the Cold War. With regard to Japan, the United States had two concerns. Its first priority was Japan's economic recovery so that it could become a solid member of the Western bloc as a buffer in the region, and also as a strategic base for the United States. Secondly, the United States was wary that closer relations between Japan and the DPRK could increase Japanese dependence on China for raw materials, which might make it susceptible to Chinese pressure.[43] Because of these concerns, the United States made a swift military response to the North Korean attack in June 1950 in support of the ROK, fearing that inaction would indicate appeasement to the communists.[44] Economically, the Trading with the Enemy Act was enforced in 1950 with the outbreak of the Korean War with a ban or limitation on exports and imports into the DPRK, which effectively severed all formal ties between the United States and North Korea.[45] This Act remained in force largely unmodified until June 2000.[46]

While the impact of the Sino-American Détente in 1971 eased US concerns over China, US-DPRK relations remained distant. The United States and the Republic of Korea were critical of Japan's "two Koreas policy", mainly because Japan's relations with the DPRK helped to legitimise the Kim Il Song government.[47] Between 1972 and 1983, it was reported that only 64 Americans visited the DPRK on 14 separate occasions, while 23 North Koreans entered the United States from 1977 to 1983.[48] The US Ambassador to Seoul Richard Walker argued that improved relations with the DPRK would not improve the situation on the Korean Peninsula given the continuation of the Cold War.[49] As a result, the United States maintained a general policy of minimal diplomatic relations with North Korea for the majority of the Cold War. It continued to follow a hard-line policy of disengagement with North Korea, while at the same time

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43 Igarashi, *Nichi-Bei Kankei to Higashi Ajia*, p. 121.

44 "Statement by the President of the United States (Truman) on the Korean Question, June 27, 1950", *International Organization*, vol. 4, no. 3, August 1950, p. 551.

45 "An overview of the Foreign Assets Control Regulations as they relate to North Korea", *US Department of the Treasury, Office of Foreign Assets Control*, www.ustreas.gov/offices/eotffc/ofac/sanctions/t11korea.pdf, accessed 21 August 2004.

46 "An overview of the Foreign Assets Control Regulations as they relate to North Korea", US Department of the Treasury, 18 August 2000.

47 David Fouse, "Japan's Post-Cold War North Korea Policy: Hedging toward Autonomy?", *Asia-Pacific Center for Security Studies Occasional Paper*, February 2004, p. 2.

48 Kihl, "North Korea in 1983", p. 106.

49 Kihl, "North Korea in 1983", p. 106.

communicating to Japan the importance of political, strategic and economic co-operation between Japan and the United States, and also South Korea.[50]

Kanemaru and his delegation's visit to Pyongyang in September 1990 was seen as particularly controversial, and "set alarm bells off in Seoul and Washington."[51] The then US Ambassador to Japan, Michael Armacost, requested a meeting with Kanemaru on 7 October 1990 in which he emphasised that financial assistance to the DPRK would be potentially used for funding nuclear development programs,[52] Whereupon Kanemaru apologised for acting without prior consultation.[53]

Japan's policy towards North Korea during the Cold War period therefore already displayed differences from that of the United States. This was due to unique Japanese domestic concerns, such as the issue of Korean minorities domestically, but also reflected the desire to follow distinctly non-US policies, particularly after the Nixon Shocks. While the United States did not enthusiastically support Japan's *seikei bunri* and "two Koreas" policies, Japan's interactions with North Korea were maintained. Japan overcame its different position by establishing its North Korea policy with broader US Cold War politics in mind. In other words, Japan was sensitive to US and ROK interests and endeavoured to make its relations with the DPRK as useful to the United States as possible. As a consequence, its ties with North Korea only took the form of narrow economic relations and were otherwise quite limited and intermittent until the 1990s. Early post-1945 Japan-DPRK relations never fundamentally strayed from the politics of the Western bloc, nor did Japan establish firm relations with the DPRK; Japan thus demonstrated a restricted but autonomous foreign policy line.

The First Nuclear Crisis

This section analyses the first nuclear crisis in North Korea. It is an important example of Japanese autonomy in the context of the US-Japan alliance, as it reveals Japan's insistence that peaceful means be used to resolve the crisis, despite the hard-line position of the United States towards North Korea in the post-Cold War era.

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50 Seung K. Ko, "South Korean-Japanese Relations since the 1965 Normalization Pacts", *Modern Asian Studies*, vol. 6, no. 1, 1972, pp. 49–61, p. 50, 54.

51 Fouse, "Japan's Post-Cold War North Korea Policy", p. 3. Also see Michael H. Armacost and Kenneth B. Pyle, "Japan and the Unification of Korea: Challenges for US Policy Coordination", *NBR Analysis*, vol. 10, no. 1, March 1999, pp. 3–38, p. 18.

52 Armacost and Pyle, "Japan and the Unification of Korea", p. 18.

53 Armacost and Pyle, "Japan and the Unification of Korea", p. 18.

Furthermore, it shows that Japan was in close co-ordination and communication with the United States in exercising its autonomy in the crisis, which contrasts starkly with the second nuclear crisis of 2002.

Confrontation between the DPRK and the Region: The First Nuclear Crisis

The first nuclear crisis occurred when the DPRK renounced its membership of the Non-Proliferation Treaty (NPT) in March 1993. This triggered a deadlock in negotiations to halt further development of nuclear weapons in North Korea.[54] The crisis was an indirect outcome of the meeting between the then Under-secretary of State for political affairs Arnold Kanter and the DPRK Workers' Party Secretary Kim Yong Sun in New York on January 1992.[55] At this meeting, Kim agreed to sign the IAEA safeguards agreement and accept IAEA inspections later that month.[56] However, the DPRK under-estimated the surveillance capacities of the IAEA and gave incorrect information,[57] and IAEA General Director Hans Blix revealed discrepancies in the declared and actual periods of plutonium separation in the DPRK reactors in his 1992 inspections, indicating that North Korea possessed more plutonium than it had actually claimed.[58] As a result, the DPRK renounced the NPT and effectively put the Korean Peninsula into crisis.[59] Due to this crisis, the Clinton administration entered into negotiations with the DPRK using extreme caution, but with the view that the DPRK needed to do more than merely comply with its responsibilities under the NPT. While the United States indicated that it was prepared to make military strikes, the main US strategy was to engage with North Korea in order to try and talk the DPRK out of its nuclear posture. The crisis on the Korean Peninsula peaked in June 1994 when the DPRK, against international warnings, unloaded fuel rods from its nuclear reactor.[60] This caused the United States to seriously consider the option of air strikes on North Korea's nuclear facilities.[61] At the same time,

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54 Daniel B. Poneman, "Information Brief: The History of the 1994 Agreed Framework", *The Forum for International Policy*, 7th March 2003, http://ffip.com/infobriefs030703.htm, accessed 14 June 2006.

55 Joel S. Wit, Daniel B. Poneman, and Robert. L. Gallucci, *Going Critical: The First North Korean Nuclear Crisis*, Washington D. C., Brookings Institution, 2004, p. 172.

56 Poneman, "Information Brief".

57 Andrew Mack, "Nuclear Endgame on the Korean Peninsula", *Department of International Relations Working Paper*, no 1994/9, Canberra, Department of International Relations, Research School of Pacific and Asian Studies, Australian National University, p. 8.

58 Mack, "Nuclear Endgame on the Korean Peninsula", p. 9.

59 Takeshi Igarashi, Mikio Sumiya and Haruki Wada, "Setogiwa gaikō kara no Dakkyaku wo (Tōron) Tokushū: Chōsen Hantō no Kiki to Nihon" (Special: Japan and the Korean Peninsula Crisis – Break away from Brinkmanship Diplomacy [Debate]), *Sekai*, vol. 598, August 1994, pp. 193–212.

60 Mack, "Nuclear Endgame on the Korean Peninsula", p. 9.

61 Igarashi, Sumiya and Wada, "Setogiwa gaikō kara no Dakkyaku wo" p. 195.

the Clinton administration was mindful that measures to save North Korean face could make it easier for North Korea to step back from brinkmanship diplomacy.[62] For these reasons, it instead put forward a motion at the United Nations for the imposition of sanctions against the DPRK.[63] North Korea responded defiantly by declaring that it would infer such sanction as a declaration of war and cautioned the world that, if enforced, it would turn Seoul into a "sea of fire".[64] Ultimately, imminent conflict was avoided as a consequence of former US President Jimmy Carter's visit to Pyongyang.

The outcome of Carter's intervention was the Agreed Framework. It was signed by the DPRK and the United States in Geneva on 21 October 1994. The then Secretary of State Warren Christopher summarised the aims of the Agreed Framework as follows:

> Our goal in crafting the Framework was thus three-fold: to stop the North's existing nuclear program; to devise a larger strategy that would address the threat posed by the North's missile program and conventional weapons build-up; and to reduce tensions in the region by bringing North Korea out if its international isolation and into the broader community of nations.[65]

To achieve these goals, the Framework centred around four major points: the freezing of existing DPRK nuclear facilities; moves towards normalisation between the two countries; co-operation towards peace and security; and the strengthening of international nuclear non-proliferation. The freeze on North Korea's graphite-moderated nuclear reactor was to come into force within the first month of signing the Framework, with the view that it would be eventually dismantled.[66]

The US argued that the Framework achieved three positive outcomes. The first was that it provided inspection mechanisms that went beyond NPT requirements.

> Under the Nuclear Non-Proliferation Treaty (NPT), North Korea would be allowed to keep its existing gas graphite reactors and to accumulate stockpiles of

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62 In an interview with US negotiators Robert Gallucci and Daniel Poneman, Poneman recalls President Bill Clinton's comment on the necessity for the United States to prepare and provide a situation to the DPRK where it could come out of its international isolation without losing face. Robert Gallucci and Daniel Poneman, "Bei-chō gōi Hiwa—Sensō Kaihi ga Kettei sareta Shunkan" ("The Unknown Story behind the US-DPRK Agreement: The moment war was avoided"), *Gaikō Fōramu*, no. 133, September 1999, pp. 58–65, p. 64.

63 Wit, Poneman, and Gallucci, *Going Critical*, p. xv.

64 Masao Okonogi, "Dealing with the Threat of a Korean Crisis", *Japan Review of International Affairs*, vol. 17, no. 2, Summer 2003, pp. 73–85, p. 76.

65 Warren Christopher, "A Comprehensive Strategy for Halting North Korea's Nuclear Program, *US Department of State Dispatch*, vol. 6, no. 5, 30 January 1995, pp. 54–57, p. 54.

66 US-DPRK Agreed Framework, "Text of the US-North Korea Nuclear Accord", *Reuters News*, 21 October 1994, p. 1.

> plutonium, albeit under IAEA safeguards. Under the Agreed Framework, North Korea must freeze and dismantle its nuclear facilities.[67]

The agreement was also a positive move forward in that it promoted North-South dialogue, which the United States argued had the broader possibility of increasing stability in Northeast Asia and the Pacific Rim and fostering economic growth.[68] Finally, the Framework was designed in such a way that the United States and members of the international consortium could withhold co-operation at any point should the DPRK cease to comply, without significant gains for North Korea.

The Japanese position in the First Nuclear Crisis: Peaceful Negotiations

Japan's involvement in the first nuclear crisis had been overshadowed by US direct negotiations with the DPRK, but it nevertheless had a central role in the events leading to the conclusion of the Agreed Framework and was able to sustain an autonomous DPRK policy during the negotiations. Japan's influence was principally through its financial power, and its crucial role during 1993 and 1994 in concluding the Agreed Framework is captured in the following statement:

> With the mounting crisis [in discussing sanctions and military attacks on North Korea], Japan had become even more critical. According to one Japanese diplomat, until 1994, Tokyo was riding in the back seat of a car driven by Washington and Seoul. With the events that spring, it moved up front.[69]

It is also clear that, throughout these negotiations, Japan and the United States did have differences in their positions towards the DPRK. Japan was adamant that sanctions and military strikes were to be avoided,[70] the main reason being that the crisis on the Korean Peninsula had more domestic implications for Japan than for the United States. These differences were the key to Japan's influence over the United States; but rather than taking independent initiatives to resolve the issue directly with the DPRK, in the case of the first crisis, Japan played a support role to the US negotiations.

Despite Japan not taking its own initiatives to negotiate its interests directly with the DPRK, it had significant influence over the United States to the point where US

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67 Robert L. Gallucci, "The Agreed Framework: Advancing US Interests with North Korea", *US Department of State Dispatch*, vol. 5, no. 50, 12 December 1994, pp. 820–22, p. 821.

68 Gallucci, p. 821. The DPRK agreed to engage with South Korea and make efforts to implement the North-South Joint Declaration on the Denuclearisation of the Korean Peninsula, which it concluded with the ROK in early 1992.

69 Wit, Poneman and Gallucci, *Going Critical*, p. 194.

credibility in negotiating with North Korea rested on support from Japan. Therefore, ensuring its utility to US negotiations with the DPRK was a vital part of Japan's policy in maintaining a different stance from the United States in the first nuclear crisis. Firstly, Japan held power over the United States on how and when the "sticks" should be implemented on North Korea. Should military attacks be implemented, Japan's support of US policy was crucial:

> [It was] an open secret at the Pentagon [that] the United States could not fight a war in Korea without Japan. Bases in that country would be critical to support forces on the Korean Peninsula, since American troops stationed in and around Japan would be involved in a conflict.[71]

The United States also requested various forms of rear area logistical support from Japan in the event of military strikes, such as intelligence gathering, usage of civilian harbours and airports and facilities for repairing warships.[72] The United States also wanted the SDF to participate in naval blockades in the event of imposing sanctions, and the dispatch of minesweepers to Korean waters.[73] However, from Japan's domestic point of view (a view also shared by the ROK), military attacks were continually seen as a last resort throughout the negotiations due to concerns over the affect of military conflict domestically and across the region and Japan's geographical proximity to the potential conflict zone.[74] As a result, the Japanese position in the issue was of vital importance for the United States. Threats of military strikes on the DPRK could not have full impact without Japanese support, and Japan was able to act as a brake on the United States in this instance.

Japan also exercised influence over the United States in its position as the DPRK's second largest trading partner after China and in being a major source of capital, technology and other transfers of expertise through the *Chōsen Sōren*.[75] Given Japan's economic ties, the negotiating points made by the United States necessitated Japanese support to have their full impact on the DPRK, particularly in the case of economic sanctions. Domestically, the imposition of economic sanctions had two potential negative affects on Japan. The major concerns for Japan were domestic

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70 Janice M. Heppell, "Confidence-Building Measures: Bilateral versus Multilateral Approaches", p. 276, pp. 280–81.

71 Wit, Poneman, and Gallucci, *Going Critical*, p. 176.

72 Fouse, "Japan's Post-Cold War North Korea Policy", p. 4.

73 Christopher W. Hughes, *Japan's Economic Power and Security: Japan and North Korea*, London, Sheffield Centre for Japanese Studies/Routledge, 1999, pp. 93–94.

74 Nishioka, "North Korea's Threat to the Japan-US Alliance", pp. 39–41.

instability through increased acts of terrorism, as seen in the abductions of Japanese citizens by North Korean agents in the 1970s and 1980s, and also the negative impact on aspects of the Japanese economy itself.[76] Takehiko Yamamoto argued that economic sanctions on the DPRK could potentially stop the flow of capital between small and medium businesses operated by ethnic Koreans in Japan, and further decelerate the speed at which North Korea's cumulative debts (estimated at ¥130 billion), were repaid to Japan.[77]

Japan's official support for sanctions fluctuated during the negotiations, and though the Japanese government appeared to initially support US motions for sanctions by making contingency plans in its preparation, it had also showed signs of reluctance in its warnings to Washington that such sanctions would prove difficult to implement without the approval of the UN Security Council.[78] Joel S. Wit, Daniel B. Poneman, and Robert. L. Gallucci, who were all involved in the Agreed Framework negotiations, argued that "a senior Japanese official conceded that...[ambivalence towards sanctions] was largely a 'smoke screen' [and that] Japan had imposed its own sanctions against the North before", and gave the example of the sanctions imposed after the 1983 Rangoon bombing (which had killed four South Korean cabinet officials).[79] However, as previously mentioned, the sanctions imposed during the 1980s were low key and more a symbolic gesture toward the United States. Wit, Poneman and Gallucci's reading of the Japanese sanctions were therefore misleading, as Japan's motives behind the Rangoon bombing sanctions and its position in the first nuclear crisis were both very different. Therefore, this argument did not convincingly support Japan's lack of reluctance on the issue of sanctions in a convincing manner.

Secondly, Japan had significant influence over the United States and could ensure that its interests were being met because it held power over when the "carrot" (namely economic assistance), would be offered to the DPRK. One example was a suggestion made by the "pragmatists" of the US government, who were more concerned about physically blocking North Korean access to nuclear material that could be used for

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75 Nishioka, "North Korea's Threat to the Japan-US Alliance", pp. 39–41.

76 Takehiko Yamamoto, "Point of View: Takehiko Yamamoto—Examining pros, cons of N. Korean Sanctions", *Asahi Shimbun*, 9 April 2004, accessed at http://www.asahi.com/english/opinion/TKY200404090196.html, accessed 17 September 2004.

77 Yamamoto, "Point of View", *Asahi Shimbun.*

78 Wit, Poneman, and Gallucci, *Going Critical*, p. 197.

79 Wit, Poneman, and Gallucci, *Going Critical*, p. 197.

weapons production.[80] In July 1991 they suggested the idea of tying the normalisation of Japan and the DPRK with a ban on North Korea reprocessing nuclear material.[81] While the United States was aware that banning nuclear processing could potentially place restrictions on Japan's reprocessing capabilities itself, it nonetheless received positive feedback from Japan, indicating that the threat from North Korea was a far greater issue and that Japan was willing to co-operate with US initiatives, rather than prioritise the inconveniences it could face without nuclear energy processing.[82] Japan's bilateral relations with the DPRK were consequently a key point that was intrinsically tied into US strategy.

Most crucially, Japan's financial support was instrumental to the Agreed Framework and, throughout the negotiations, US strategies and concessions were based on Japanese money. From early on, US Ambassador to South Korea, James Laney, suggested that the United States should depend on Japanese funds allocated for North Korea in the event of normalisation, in order to fund the building of the new light-water reactors.[83] Laney was working in Seoul when Japan provided US$800 million to assist in South Korea's economic development after the two countries normalised their relations in 1965, and therefore knew that similar financial support could be expected for the DPRK.[84] Because normalisation between Japan and the DPRK in the near future seemed unlikely, this problem was overcome by using Japanese capital instead for the US-initiated consortium.[85] One reason the consortium, which later became the Korean Energy Development Organisation (KEDO), was formed as a multilateral organisation was so that Japan's financial support would not appear to be "[bankrolling] American diplomacy.[86] At the conclusion of the Agreed Framework, Japan agreed to pay at least US$100 million of the US$400 million necessary to build the reactors,[87] which later increased to 30 percent of the expected costs.[88]

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80 Mark E. Manyin, "Japan-North Korea Relations: Selected Issues", *CRS Report for Congress*, 26 November 2003, pp. 1–18, p. 1.

81 Manyin, "Japan-North Korea Relations", p. 1.

82 Wit, Poneman, and Gallucci, *Going Critical*, p. 8.

83 Mark E. Manyin, "North Korea-Japan Relations: The Normalization Talks and the Compensation/Reparation Issue," *CRS Report for Congress,* Congressional Research Service, 29 March 2000, p. 1, p. 5.

84 Manyin, "North Korea-Japan Relations", p. 3.

85 Wit, Poneman and Gallucci, *Going Critical*, p. 268.

86 Wit, Poneman and Gallucci, *Going Critical*, p. 268.

87 "Beikoku, Nihon ni 10 oku doru Futan Yōkyū—Kita Chōsen no Keisuiro de Nichibei Seifu suji" ("The US requests Japan to bear 100 million dollars—Japanese and US government sources on the

The Japanese position in the first nuclear crisis and the negotiations leading up to the Agreed Framework demonstrated that, while it had influence on the process leading to the Framework, the United States was the central force driving the negotiations, and Japan and the other states were co-operating with US-led initiatives. At the same time, even as differences between US and Japan policy towards the DPRK existed, in this situation Japan could afford to leave leadership in the hands of the United States. This was because the Japanese government was aware that the United States recognised the strategic importance and economic influence of Japan and that, as a result, the protection of Japanese interests would be of significant consideration in the negotiations. Therefore, because of the more co-operative stance of the United States, the first nuclear crisis necessitated less negotiation with the United States to get Japan's voice and interests heard. In other words, Japan did not have to fight hard for its autonomy and was able to maintain its position of constructive engagement with the DPRK.

The US position: Military Strikes, Economic Sanctions

The United States had adopted a hard-line stance towards the DPRK that at times clearly conflicted with Japan's position due to three regional and international concerns with regard to North Korea's nuclear developments. First, on an international level, the DPRK's threat to withdraw from the NPT could seriously undermine the safeguards system and damage the NPT's international authority;[89] and second, a nuclear North Korea could prospectively become a supplier of weapons to pariah states in the Middle East.[90] Finally, but most importantly, a nuclear DPRK could affect the United States' alliances in the region. In other words, "a North Korea armed with nuclear weapons and

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Assistance for North Korea's Light-Water Reactors"), *Mainichi Shimbun*, Late Edition, 19 October 1994, p. 1.

88 "Keisuiro no Futan kin Nihon wa 3 wari Kankoku ga 5 wari ijyō Honbu wa Nyūyōku" ("Light-Water Reactor Costs: Japan to pay 30, South Korea to pay more than 50 percent, KEDO Headquarters to be New York"), *Sankei Shimbun*, Early Edition, 5 January 1995, p. 1.

89 The DPRK joined the Non-Proliferation Treaty (NPT) in 1985 after a promise by the Soviet Union that it would give four full-size light-water nuclear power plants if North Korea joined the NPT. See Hiroshi Tosaki, "Kita Chōsen Kaku Mondai to Kaku Fukakusan Taisei" ("North Korea and the Non-Proliferation Regime") in the Japan Institute of International Affairs, *Hōkokusho: Tōhoku Ajia no Anzen Hoshō to Nihon (North-East Asia Security and Japan)*, Tokyo, the Japan Institute of International Affairs, 1993, pp. 11–29, p. 12. International wariness towards North Korean nuclear development was surprisingly low during this period—due to administrative delays, North Korea did not conclude the International Atomic Energy Agency safeguard agreement (which was mandatory within the first eighteen months of becoming a signatory of the NPT) and was therefore able to further develop its nuclear capabilities for as long as three years after signing the NPT. See Wit, Poneman and Gallucci, *Going Critical*, pp. 3–4.

90 Tong Whan Park, "South Korea's Nuclear Option: The Interplay of Domestic and International Politics", in Tong Whan Park (ed.), *The US and the Two Koreas: A New Triangle*, London, Lynne Rienner, 1998, pp. 97–117, p. 101.

ballistic missiles could in time lead the governments in Tokyo and Seoul to reconsider their relations with the United States as well as their own commitments to refrain from developing nuclear weapons."[91] Therefore, on a regional level, a nuclear North Korea could spark an arms race in the region and, potentially, international nuclear proliferation.

The US hard-line resolve was also evident in the lead-up to the crisis, and it was also firm in its resolve that it would not take significant diplomatic initiatives until the DPRK halted its nuclear development.[92] While the DPRK's nuclear card achieved a bilateral meeting between Kim Yong Sun and Arnold Kanter, who was under strict instructions to mention neither what North Korea could expect in return or the possibility of normalisation of relations between the two countries.[93] Kanter had gone through the US agenda with Japan and South Korea beforehand to get both states' approval and urged the DPRK to permit IAEA inspections and to abandon its nuclear development program.[94] In other words, the United States was not prepared to move forward without North Korean concessions on nuclear development and, as a result, when Kim Yong Sun pushed for another meeting with the United States, or at least a joint statement at the conclusion of the present meeting, both requests were refused and a year later another request by North Korea for a meeting with Kanter was also rejected by the Clinton administration.[95]

Japan's reluctance to support military strikes or offer military assistance raised the question of whether the alliance was functioning effectively.[96] However, Japan's influence on the United States, and the accommodating position of the Clinton administration, was reflected in the Agreed Framework, which eventually ended the crisis and the many US concessions made to the DPRK. The United States was to organise KEDO to replace the existing reactor with light-water reactors by 2003.[97] It also promised to supply alternative energy—principally 500,000 tonnes of heavy fuel oil

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91 Wit, Poneman and Gallucci, p. xiv.

92 Madeleine Albright, *Madam Secretary: A Memoir*, New York, Miramax Books, 2003, p. 456.

93 Wit, Poneman and Gallucci, p. 12.

94 Wit, Poneman and Gallucci, pp. 12–13.

95 Oberdorfer, *The Two Koreas*, pp. 266–67.

96 Hughes, *Japan's Economic Power and Security*, p. 95.

97 US-DPRK Agreed Framework, p. 1. Light-water reactors were seen as being more "proliferation resistant" because they produced a type of plutonium that was more difficult to reprocess into weapons-grade material, and also produced far less nuclear waste. Also, to refuel, the light-water had to be shut down, making it easier to detect by inspectors and monitors. See Terence Roehrig, "One Rogue State Crisis at a Time! The United States and North Korea's Nuclear Weapons Program", *World Affairs*, vol. 165, no. 4, Spring 2003, pp. 155–78, p. 159.

annually for heating and electricity production, while the graphite reactor underwent the freeze.[98] In return, North Korea agreed to co-operate with the IAEA and allow IAEA inspectors to monitor the freeze during this time, which was a major achievement of the negotiations.[99] In conjunction with the successful resolution of the nuclear issues, the United States approved the reduction of trade and investment barriers, and agreed that the DPRK and the United States would establish liaison offices in their respective countries as a step towards bilateral relations on the ambassadorial level.[100] The United States also officially assured that they would not use nuclear weapons against the DPRK.[101] It made these concessions to meet Japan's position, despite risking almost immediate criticism on concessions such as the oil, the light-water reactors and the costs involved in building them.[102] The chief US negotiator, Robert L. Gallucci, maintained that negotiation with the DPRK and the provision of some concessions was the "least worst alternative"[103]—other options being economic sanctions or a military attack, to which Japan and the ROK were strongly opposed out of concerns for geographical proximity and the effects that a military attack could have domestically.

Thus, the first nuclear crisis demonstrated that Japan's position towards the DPRK was successfully maintained and communicated to the United States in the negotiations that led to the Agreed Framework. Furthermore, Japan played an important and influential role as a brake on the United States. Japan's reluctance to enforce economic sanctions and military strikes led the United States to adopt a strategy that combined negotiating a solution and imposing sanctions—a gradual escalation "that would seek to

98 US-DPRK Agreed Framework, p. 1.

99 US-DPRK Agreed Framework, p. 1.

100 US-DPRK Agreed Framework, p. 2.

101 US-DPRK Agreed Framework, p. 2.

102 In an interview with US negotiators Robert Gallucci and Daniel Poneman, Gallucci recalls various negative media coverage concerning the Agreed Framework. See Gallucci and Poneman, "Bei-Chō gōi Hiwa—Sensō Kaihi ga Kettei sareta Shunkan", p. 61. Senator John McCain criticised the Framework, saying that the Clinton administration had "extended carrot after carrot, concession after concession, and pursued a policy of appeasement based, in my view, on the ill-founded belief that the North Koreans really just want to be part of the community of nations and want diplomatic relations...." See Roehrig, "One Rogue State Crisis at a Time!", p. 164. Karen Elliot House viewed the agreement as a reversal of the US position of unacceptability of a nuclear North Korea, and argued that the Agreed Framework represented "[a rescuing of the DPRK] regime at the moment of its maximum economic and political vulnerability and [rewarding] its intransigence". She went on to suggest that firm resolve over the issue should have entailed Clinton convincing Congress and the US public of war against the DPRK. For a "superpower to dally for nearly a year over invasion", she argued, and without "clear and consistent foreign policy", it was unlikely that the DPRK would take the United States seriously, and that the Framework would end unsuccessfully. See Karen Elliot House, "A Dangerous Capitulation", *The Wall Street Journal Europe*, 14 November 1994, p. 8.

103 Wit, Poneman and Gallucci, *Going Critical*, p. xv.

build a coalition, and increase pressure on North Korea".[104] Japan's heightened concerns over how the DPRK could respond to strong pressure ensured the implementation of a diplomatic solution in the form of gradual sanctions. Japan was also prepared to co-operate with the United States, which was demonstrated by the suggestion of tying Japan-DPRK normalisation with a ban on North Korea reprocessing nuclear material. This indicated that the threat from North Korea was a far greater issue and that Japan was willing to co-operate with US initiatives rather than prioritise its own energy concerns.

However, more importantly, the braking effect of Japan's autonomous position on the United States was only possible because the Clinton administration recognised Japan's importance in US strategy. The United States understood that uncompromising policies towards the DPRK would not be effective without full Japanese backing. It also understood that it was unlikely that Japan would support a hard-line position given that the risks were considerably higher for Japan compared with the United States. In other words, without US willingness to accommodate co-operation with Japan, any efforts to maintain Japan's autonomous policy towards the DPRK would most likely have failed. This fact demonstrates that Japan's ability to defend its autonomy and fulfil an influential role in regional and international situations is strongly tied to the level of acceptance of Japan's policies by the United States. Co-operation with the United States was possible in this instance, because the United States was not displaying as unilateral a position as it later adopted under the Bush administration, and was therefore more open to the concerns of its allies such as Japan. Therefore, in this instance, Japan's autonomous position of constructive engagement was successfully maintained, although not without significant negotiation and co-ordination with the United States.

A Comparison with the Second Nuclear Crisis: Koizumi goes to Pyongyang

The chapter now juxtaposes the first crisis on the Korean Peninsula to the second nuclear crisis. It investigates how changes in US perceptions of its position in the world under George W. Bush and the US-led "War on Terror" affected Japan's pursuit of an autonomous foreign policy. While it was much easier for Japan to negotiate an autonomous position in the first nuclear crisis, in the second it faced a US administration that was less inclined to modify its stance in the light of allies' concerns,

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[104] Wit, Poneman, and Gallucci, *Going Critical*, p. 32.

and had a particularly aggressive stance toward the DPRK. When Bush was sworn in as US President in January 2001, the Agreed Framework was failing[105] and, in his State of the Union address in January 2002, he denounced North Korea as part of the "Axis of Evil".[106] This confirmed the administration's strong distrust of the DPRK regime and Kim Jong Il and illustrated how little room there existed for diplomatic negotiations in resolving outstanding issues.

In these international circumstances, Prime Minister Junichirō Koizumi made a surprise announcement on 30 August 2002 with his decision to travel to Pyongyang in September to meet with North Korean leader Kim Jong Il.[107] As Koizumi had previously voiced firm support for the US attacks on Afghanistan and Iraq in the "War on Terror", his plan of direct diplomatic negotiations with North Korea was widely perceived as "a break out from the old security arrangement" with the United States.[108] There was speculation at the time about whether the trip was made with Washington's consent, but Assistant Secretary of State Richard Armitage was the first to be informed of Koizumi's visit on 27 August.[109] However, the then US ambassador to Japan Howard Baker indicated that he was informed of Koizumi's trip only after the official announcement.[110]

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105 The implementation of the Agreed Framework faced many obstacles and was slower than anticipated. The construction of the light-water reactors was delayed and Pyongyang expressed its frustration, questioning whether the delays were purposeful strategies. North Korea continued to refuse IAEA inspections and resumed its nuclear programmes. In 1999, the Framework again came under attack, when an underground facility suspected of a secret continuation of the North Korean nuclear programme (in Kumchangri, 16 kilometres north of Yongbyon) came under scrutiny. The DPRK and the United States held several rounds of talks, and the United States was granted permission to survey the facility. At the same time, the United States pledged to launch an agricultural project to ease the famine in North Korea, and also to provide 100,000 tonnes of food aid. While the State Department denied that the inspections and the food aid were connected, the deal came under criticism from the Republican-controlled Congress, saying that it "[smacked] of a food for access deal". See Shawn W. Crispin, "Buying Time", *Far Eastern Economic Review*, vol. 162, no. 13, 1 April 1999, pp. 18–20, p. 18, and Roehrig, "One Rogue State Crisis at a Time!", pp. 155–56.

106 State of the Union Address, 29 January 2002, *The White House Website*, http://www.whitehouse.gov/news/releases/2002/01/print/20020129-11.html, accessed 10 May 2006.

107 "Announcement by Chief Cabinet Secretary of Prime Minister Koizumi's visit to North Korea", *The Ministry of Foreign Affairs Japan Website*, http://www.mofa.go.jp/region/asia-paci/n_korea/pmv0209/ccs0830.html accessed 20 June 2006; "Totsuzen no Ketsudan: Koizumi Shushō Hōchō e" ("Sudden Decision surprises Political World: Koizumi to visit North Korea"), *Asahi Shimbun*, Early edition, 31 August 2002, p. 3.

108 "Koizumi's Dangerous Gambit", *Far Eastern Economic Review*, p. 8.

109 Chūō Kōron Editorial Division, "Nichi-Bei Dōmei wo mushi shita 'Tai-Bei Himistu Gaikō'" ("'Secret Diplomacy towards the US' that ignored US-Japan Alliance Protocol"), *Chūō Kōron*, vol. 117, issue 1423, no, 12, December 2002, pp. 38–45, p. 40. Also see "US Deputy Secretary of State was 'notified' of Prime Minister's visit to North Korea; No prior consultation with US", *Nihon Keizai Shimbun*, 3 September 2002, p. 2.

110 "Koizumi's Dangerous Gambit", p. 8.

A senior MOFA official commented that "the United States is most suspicious about the planned Japan-North summit".[111]

US suspicions of the DPRK's clandestine enrichment of uranium were confirmed during the then Assistant Secretary of State James Kelly's trip to Pyongyang in early October 2002. The second nuclear crisis arose when the then DPRK Deputy Foreign Minister Kang Sok Ju made it clear that North Korea was pursuing a separate nuclear program, which was in violation of the Agreed Framework, the NPT, safeguard agreements of the IAEA and also the joint North-South Denuclearisation Declaration it made in 1992.[112] Furthermore, Kang stated that, on top of highly enriched uranium, the DPRK possibly possessed "more powerful things", namely chemical and biological weapons.[113] The DPRK proposed relinquishing its nuclear program if the United States was prepared to guarantee that it would pre-emptively strike North Korea and would lift economic sanctions; however Kelly refused this offer.[114]

Given the circumstances before and after Koizumi's trip, the visit was controversial, and it was also a significant departure from Japan's negotiating style during the first nuclear crisis. There was seemingly minimal consultation with the United States prior to Koizumi's visit, and his visit represented engagement with a rogue state that had ignored previous international initiatives. To explain this change, this section briefly summarises the outcomes of Koizumi's trip and its significance, and then investigates the Japanese thinking behind the controversial visit amidst heightened tensions between the United States and the DPRK. It then analyses how the United States reacted to Koizumi's visit, the outcomes of the visit and its implications for Japan's stance in the "War on Terror". Despite Koizumi's lack of communication with the United States, it continues by arguing that Japan's position was, as Okonogi argued, a combination of independence away, yet co-operation with, the United States.[115]

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111 Japan-US Summit: Gaps in views on Axis of Evil Issues", *Mainichi Shimbun*.

112 John Larkin, "North Korea—Up to the same Old Tricks", *Far Eastern Economic Review*, 21 November 2002, vol. 165, no. 46. p. 16; James Cotton, "The Second North Korean Nuclear Crisis", *Australian Journal of International Affairs*, vol. 57, no. 2, July 2003, pp. 261–79, p. 271.

113 Yong Jung Chu, "Bei, Bei-chō Wakugumi Gōi no Haki wo Kentō" ("US considers the annulment of the US-DPRK Agreed Framework"), *Chosun Ilbo*, Japanese Edition, 17 October 2002, accessed at http://japanese.chosun.com/site/data/html_dir/2002/10/17/20021017000033.html, accessed on 13 September 2004, and David E. Sanger, "North Korea says it has a Program on Nuclear Arms", *New York Times*, 17 October 2002, p. 1.

114 "World must pressure Pyongyang to ax nuke program", *Nikkei Report*, 22 October 2002.

115 Masao Okonogi, in Masao Okonogi, Hajime Izumi, Sang Jung Kang, Naoki Mizuno and Jong Wong Lee, "Sōgō Tōron: Nicchō Pyonyan Sengen no Rekishiteki Kokusaiteki Igi" (General Discussion: The Historical and International Significance of the Japan-DPRK Pyongyang Declaration"), p. 4.

The Pyongyang Declaration and the Significance of September 2002

The Pyongyang Declaration was signed by the two leaders during Koizumi's visit, and centred around four major points. The first declared Japan and the DPRK's strong determination for the normalisation of relations and their mutual trust in achieving this goal.[116] The second dealt with Japan's colonial past on the Korean Peninsula, and "expressed deep remorse and heartfelt apology."[117] The demands for compensation from North Korea had also softened, and the second point referred only to the provision of economic co-operation upon normalisation, which included grants, long-term loans with low interest rates and humanitarian assistance.[118] More importantly, Japan and the DPRK agreed that they "would mutually waive all their property and claims and those of their nationals that had arisen from causes which occurred before August 15, 1945".[119] The third point confirmed that both sides "would comply with international law and would not commit acts threatening the security of the other side."[120] The DPRK further confirmed that it would take appropriate measures so that "regrettable incidents" such as the abductions would not occur again, and that the lives and the security of Japanese nationals would not be threatened in the future.[121] The final point confirmed that both Japan and North Korea "would co-operate with each other in order to maintain the peace and stability of North East Asia ... based upon mutual trust among countries concerned in this region".[122] By this, the DPRK recognised the necessity of resolving the nuclear and missile issues that existed on the Korean Peninsula, and that they "would comply with all related international agreements".[123]

The Pyongyang Declaration was significant in several respects. Firstly, it was an important step in resolving the historical obstacles hindering normalisation,[124] which was

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116 "The Japan-DPRK Pyongyang Declaration (Provisional Translation)", *Ministry of Foreign Affairs Japan Website*, http://www.mofa.go.jp/region/asia-paci/n_korea/pmv0209/pyongyang.pdf, accessed 20 June 2006, p. 1.

117 "The Japan-DPRK Pyongyang Declaration," p. 1.

118 "The Japan-DPRK Pyongyang Declaration," p. 1.

119 "The Japan-DPRK Pyongyang Declaration," p. 1.

120 "The Japan-DPRK Pyongyang Declaration," p. 2.

121 "The Japan-DPRK Pyongyang Declaration," p. 2.

122 "The Japan-DPRK Pyongyang Declaration," p. 2.

123 "The Japan-DPRK Pyongyang Declaration," p. 2.

124 Japan's colonial legacy and the reparation issue were points of contention throughout the history of normalisation negotiations between Japan and the DPRK. Japan was essentially waived of reparation responsibility by its incorporation into the US hegemonic system in the North East Asian region. The most contentious aspect of Japan's unconditional surrender in 1945, from the perspective of the DPRK, was that Japan was freed from any obligations of compensation to its former colonies in Article 14 of the San Francisco Peace Treaty signed in 1951. See "The San Francisco Peace Treaty",

evident in the section in the agreement where both states agree to "mutually waive all their property and claims" from the Second World War.[125] Secondly, the DPRK agreed to a "comprehensive approach" to normalisation with Japan, which included the settling of abduction issues, nuclear and missile issues and regional security before Japan would give substantial economic assistance.[126] Kim Jong Il's admission that North Korea had abducted Japanese citizens during the 1970s and 1980s was a watershed achievement in itself, given that the DPRK government had consistently denied this in previous normalisation talks.[127] Thirdly, the Declaration was an ambitious attempt to integrate the DPRK into international society by getting North Korea to comply with international law and limit behaviour that threatened security within the region. This was again directed at the abduction of Japanese nationals and also the suspicious vessels that had entered Japanese waters, the most recent being a North Korean ship disguised as a Japanese fishing vessel, which was intercepted by, and exchanged fire with, the Japanese Maritime Safety Agency off the coast of Amami Ōshima in Kagoshima Prefecture in December 2001.[128] While the general terms in the Declaration itself could not prevent the DPRK from sending more ships into Japanese waters or launching missiles, "the Pyongyang Declaration [stated] what kind of reaction this would invite from Japan".[129] If it wanted to foster good relations with Japan, it had to abide by the statement and halt its operations. Finally, with regard to security issues, the Declaration suggested a commitment to easing tensions in Northeast Asia. Although the Declaration was criticised as being vague, Shinichi Kitaoka maintained it was an important indication of Japan's realisation that it could no longer continue to have acrimonious relations or ignore the problems, particularly because of its geographical proximity to

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Global Alliance for Preserving the History of WWII in Asia at http://www.gainfo.org/SFPT/SanFransiscoPeaceTreaty1952/htm, accessed 6 August 2004.

125 "The Japan-DPRK Pyongyang Declaration" p. 1.

126 Shinju Fujihira, "From Shenyang to Pyongyang: Japan's Diplomatic Trials in Northeast Asia", *Harvard Asia Quarterly*, Autumn 2002, http://www.asiaquarterly.com/content/view/128/40/, accessed 17 August 2006.

127 Bruce Cumings, "Pyongyang visit a challenge to the US", *Asahi Shimbun*, 27 September 2002 and Fujihira, "From Shenyang to Pyongyang", p. 7. Akitaka Saiki also stated that the DPRK often said that the abduction issue was "a fabrication on the side of the Japanese". Akitaka Saiki, Deputy Director-General, Asian and Oceanian Affairs Bureau, Ministry of Foreign Affairs Japan, interviewed 13 December 2004, Tokyo.

128 "Kyōi Jikkan shite Amami Oki de shizumeta Kitachōsen Kōsakusen Ippan Kōkai e" ("Feeling the Threat: North Korean Spy Ship displayed to the public"), *Asahi Shimbun*, http://asahi.com/special/abductees/OSK200304280026.html, accessed 13 August 2004; "Fushinsen Jiken: Amami Ōshima Hokusei oki ni Fushinsen, Jyunkaisen ga Ikaku Shageki" ("Suspicious Vessel Incident: Suspicious Vessel off Northwest Coast of Amami Oshima, Patrol ship fires warning shots"), *Yomiuri Shimbun*, Kyūshū edition, 22 December 2001, http://kyushu.yomiuiri.co.jp/special/fushinsen/f-news/f-news011222.htm, accessed 10 September 2004.

129 Interview with Akitaka Saiki, 13 December 2004.

the Korean Peninsula.[130] On the other hand, Izumi Hajime argued: "Settling past grievances alone will not lead to normalisation; this goal will only be achieved if it is seen to contribute to peace and stability in Northeast Asia."[131] The Declaration also indicated a positive change of attitude in the DPRK's approach to security on the Korean Peninsula. In previous discussions, North Korea evaded serious discussions on nuclear and missile developments with Japan, saying that this was an US-DPRK issue unrelated to North Korea's relations with Japan.[132] However, a change could be seen in its agreement to comply with international agreements.

The Pyongyang Declaration, and the resumption of dialogue with Japan, also indicated changes in North Korean foreign policy, particularly in relation to the United States. Kim Jong Il's willingness to meet with Koizumi indicated that the DPRK was employing "Südpolitik" as a diplomatic strategy, or appeasing its relations with Washington via Tokyo.[133] The DPRK had previously tried to focus its main diplomatic attention on the United States from the end of 1992 until early 1993, after the eighth round of normalisation negotiations broke down between Japan and the DPRK.[134] Given the Bush administration's hard-line stance, progress in North Korea's relations with the United States was unrealistic, and yet it was a serious concern that could influence the survival or demise of Kim Jong Il's regime. Therefore, it was crucial that the DPRK pursued other diplomatic avenues, particularly with Japan, not only because it was a firm ally of the United States, but also because Koizumi had close personal relations with George W. Bush.

The US response to the Koizumi's Visit and the Declaration

While there has been no official criticism of Koizumi's overture to Pyongyang from the United States, at the same time, the secrecy under which the Japanese orchestrated the visit initially caused great tensions in the relationship. There was some uncertainty on

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130 Shinichi Kitaoka, "Koizumi Hōchō no Rekishi teki igi" (The Historical significance of Koizumi's visit to North Korea), in Shinichi Kitaoka, *Nihon no Jiritsu: Taibei Kyōchō to Ajia Gaikō (Japan's Autonomy: Co-operation with the US and Diplomacy in East Asia)*, Tokyo, Chūō Kōron Shin Sha, 2004, pp. 183–92, p. 187.

131 Hajime Izumi, "Nicchō Kokkō Seijyōka no Jyōken: Anzen Hoshō Mondai Kaiketsu ga Zentei" ("Resolution of Security Issues the condition for Normalisation between Japan and North Korea"), *Yomiuri Shimbun*, 23 September 2002, p. 13.

132 Hajime, "Nicchō Kokkō Seijyōka no Jyōken", p. 13.

133 Okonogi, "Dealing with the Threat of a Korean Crisis", p. 76. Also see Chung Ok-Nim, "The New US Administration's Korea Policy and its Impact on the Inter-Korean Relations", *East Asian Review*, vol. 13, no. 1, Spring 2001, pp. 3–30, p. 23.

134 Ishizaka, "Nicchō Kankei Kanren Shiryō", pp. 240–41.

the part of the United States about how best to read Japan's action, and its implications for the "War on Terror", and on the Bush administration's foreign policy in general. With regard to Koizumi's visit, the US reaction was, at best, ambivalent.[135] President George W. Bush merely expressed that he would support whatever Koizumi felt necessary,[136] and the United States "officially encouraged Japan's rapprochement with North Korea" while remaining "wary about the prospects of genuine dialogue with a country that it has characterised as part of an 'axis of evil'".[137] Upon being notified by Koizumi of his visit to Pyongyang, Richard Armitage strongly urged against it, based on information suggesting North Korea's enrichment of uranium and nuclear development.[138] Furthermore, in a press conference in Tokyo on 30 August 2002, he indirectly pressured Japan not to take independent measures towards North Korea that strayed from the US-Japan co-operative framework, saying that it was important to keep in mind the broader context of the "War on Terror" and the DPRK's development of weapons of mass destruction.[139]

US ambivalence about Koizumi's overture stemmed from its concern that Japan's economic assistance to the DPRK would directly contradict the US position of cutting off economic co-operation until North Korea stepped back from nuclear development.[140] Despite the fact that Japan backed the United States in the "War on Terror" in the broader international arena, Koizumi's visit and the Pyongyang Declaration highlighted those aspects of Japanese policy towards the DPRK that differed from the US approach. The United States held the position that they would not engage in one-on-one discussions until the DPRK made unilateral concessions on three major points: improving its implementation of the Agreed Framework concluded in October 1994—in other words, full compliance with IAEA inspections and a freeze on existing nuclear

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135 Gilbert Rozman, "Japan's North Korea Initiative and US-Japan Relations", *Orbis*, vol. 47, issue 3, Summer 2003, pp. 527–39, p. 527; Gavan McCormack, "North Korea in the Vice", *New Left Review*, vol. 18, November/December, 2002, pp. 5–27, p. 22.

136 "Koizumi's Dangerous Gambit", *Far Eastern Economic Review*, p. 8.

137 David Pilling, "Koizumi vows to Revive Stalled talks with N Korea, Japan Engagement Pledge may worry US", *Financial Times*, London edition, 16 December 2002, p. 8.

138 Yoneyuki Sugita, "Beikoku no Kita Chōsen Seisaku" ("The United States' North Korea Policy") in Yōichi Hirama and Yoneyuki Sugita (eds.), *Kita Chōsen wo meguru Hokutō Ajia no Kokusai Kankei to Nihon (Japan and the International Relations of Northeast Asia over North Korea)*, Akashi Shoten, Tokyo, 2003, pp. 89–111, p. 90.

139 "Kurōzu Appu 2002: Raigetsu Hatsu no Nicchō Shunō Kaidan" ("Close Up 2002: Next Month, the First Japan-DPRK Heads of State Meeting"), *Mainichi Shimbun*, Osaka Edition, 31 August 2002; Sugita, "Beikoku no Kita Chōsen Seisaku", p. 90.

140 Pilling, "Koizumi vows to Revive Stalled talks with N Korea", p. 8.

reactors and related facilities;[141] the verification of constraints on North Korea's missile program and missile exports; and finally, a less threatening conventional military posture.[142] This ran counter to the views of Japan and the other main players in the region, namely South Korea and China, and put pressure on the administration to engage in bilateral talks with North Korea.[143]

It was highly likely that Koizumi's visit to Pyongyang caused problems for the Bush administration, given that influential senior officials "[did] not really believe that diplomacy [could] accomplish anything with regimes that form part of Bush's 'axis of evil'".[144] Only a day before Koizumi's announcement of his Pyongyang visit, John Bolton, the then Under-secretary of State had emphasised North Korea's extensive and antagonistic military build-up at an address in Seoul on 29 August 2002. He stated that "President Bush's use of the term 'Axis of Evil' to describe...North Korea was more than a rhetorical flourish—it was factually correct" and that the United States was "in lockstep with [its] allies."[145] To have this statement seemingly negated the next day by Koizumi, Bruce Cuming argued, indicated "Koizumi...departed dramatically from Bush's...doctrine of pre-emptive war, and from a half-century of close co-ordination of foreign policy between Washington and Tokyo".[146]

While Cuming's analysis of the visit is slightly overstated, various Japanese foreign policy analysts have interpreted the hesitant and unclear stance of the United States as representing potentially conflicting policies between the two allies. Hisahiko Okazaki argued that the United States did not want rapid normalisation between Japan and North Korea, especially while it maintained commitments in Iraq.[147] Other than the obvious US fears of the Pyongyang Declaration simply ending up as a temporary cover for North Korea before Kim Jong Il went back on the agreements to extract more out of Japan, Okazaki also reasoned that swift settlements towards normalisation between Japan and the DPRK would suddenly give North Korea the appearance of "a well-

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141 Oberdorfer, *The Two Koreas*, p. 357.

142 Hideya Kurata, "North Korea's Renewed Nuclear Challenge", *Japan Review of International Affairs*, vol. 17, no. 2, Summer 2003, pp. 86–104, p. 90.

143 Dao, "Korean Issue Shapes Powell's Agenda", p. 17.

144 Cumings, "Pyongyang visit a challenge to the US".

145 John R. Bolton, "North Korea: A Shared Challenge to the US and the Republic of Korea", (Remarks to the Korean-American Association) 29 August 2002, *US Department of State Website*, http://www.state.gov/t/us/rm/13219.htm, accessed 21 June 2006.

146 Cumings, "Pyongyang visit a challenge to the US".

147 Hisahiko Okazaki, "Nicchō Kōshō no Gogensoku" ("The Five Key Principles of the Japan-DPRK Negotiations"), *Voice*, vol. 299, November 2002, pp. 48–61, p. 50.

behaved child",[148] and would create an awkward situation for the United States, where it found "enemy number two" in the "Axis of Evil" suddenly co-operating and thus weakening the justification driving the "War on Terror".[149] Jitsurō Terashima also interpreted US ambivalence towards the Koizumi initiative as a mark of divergent policies, and linked it to US desires "to remind everyone that it planned to call the shots on the Korean Peninsula".[150] Terashima argued that, when Kim Dae Jung visited the DPRK in June 2000, the United States had officially assessed the overture positively, but it was in fact displeased with the initiative, and reversed its support towards the Sunshine Policy in an attempt to regain US influence on the Korean Peninsula.[151] In a similar vein, Terashima maintained that the United States outwardly supported Koizumi's visit to the DPRK and the ROK's Sunshine Policy, but was in fact somewhat uneasy, and consequently organised Kelly's visit to Pyongyang in October 2002.[152] He argued that the United States was able to delay normalisation negotiations between Japan and the DPRK and restore US dominance in the resolution of issues on the Korean Peninsula through Kelly's visit.[153] The United States was successful in achieving this outcome when the DPRK revealed its nuclear program.

Japan's stance of continued engagement with the DPRK

Koizumi made the overture to Pyongyang and took autonomous action despite the United States cautious and ambivalent response for three main reasons: to settle bilateral security issues and regional security issues, and partly to respond cautiously to US overtures toward the DPRK in 2000. The trip was the brainchild of Yasuo Fukuda, the then Chief Cabinet Secretary and Hitoshi Tanaka, the then director-general of the Asian and Oceanian Affairs Bureau in the Japanese Ministry of Foreign Affairs (subsequently promoted to Deputy Foreign Minister), and was negotiated under much secrecy.[154] Firstly, while some argued that Koizumi's visit was "not about security",[155] there were

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148 Okazaki, "Nicchō Kōshō no Gogensoku", p. 50.

149 Okazaki, "Nicchō Kōshō no Gogensoku", p. 55.

150 Jitsurō Terashima in Kīchi Fujiwara, Keiko Sakai, and Jitsurō Terashima, "Iraku Kōgeki wa Nani wo Motarasu ka" ("What will Result from an Attack on Iraq?"), *Ronza*, vol. 93, February 2003, pp. 16–35, p. 34.

151 Terashima, "Iraku Kōgeki wa Nani wo Motarasu ka" p. 34.

152 Terashima, "What will Result from an Attack on Iraq?", p. 34

153 Terashima, "What will Result from an Attack on Iraq?", p. 34.

154 James L. Schoff, "Political Fences and Bad Neighbors: North Korea Policy Making in Japan and Implications for the United States", *Institute for Foreign Policy Analysis*, June 2006, p. 4.

155 "Koizumi's Dangerous Gambit", *Far Eastern Economic Review*, p. 8. This editorial argued that "Mr. Koizumi did not bring up with Mr. Bush issues of the North's weapons of mass destruction,

practical bilateral security concerns which it sought to address with the DPRK. Immediate discussions and the resolution of security tensions between Tokyo and Pyongyang were a practical necessity, given the numerous examples of aggressive behaviour toward Japan in the preceding years. Particularly alarming for Japan was the launching of the Taepodong missile from the DPRK into the Pacific Ocean in August 1998.[156] The missile had a striking range of 2,000 kilometres, which made it capable of reaching US bases stationed in Japan.[157] The aforementioned trespassing of a suspicious DPRK vessel disguised as a fishing boat in Japanese waters near Amami Ōshima was also problematic, given that the vessel was "armed to the teeth, with two antiaircraft missiles, two rocket launchers, a recoilless gun, twelve rockets, an antiaircraft gun, two light machine guns, three automatic rifles, and six grenades, as well as 'an underwater scooter of a design rarely seen'".[158] The abduction issue, a sensitive and emotional domestic issue that touched on issues of human rights and national sovereignty, was also a major security issue that was on Koizumi's agenda for resolution.

Secondly, Japan's position in terms of regional security prioritised the prevention of military conflict on the Korean Peninsula and, accordingly, Koizumi's initiative placed importance on the potential regional security gains from engagement with Pyongyang. Political tensions were high in the United States, given the mood at the time that North Korea was potentially second in line for military strikes after Iraq.[159] With regard to this US position, Koizumi's securing of the DPRK's promise to comply with international security agreements and North Korea's acceptance of Japan's offer of assistance through economic co-operation, rather than insisting on reparations, was significant. The promise of normalisation between Japan and the DPRK also created the potential for a multilateral security network in the region and a diversification of stakeholders in the issue away from a US-DPRK confrontation.[160] This was seen as potentially contributing to international stability in Asia and deterring the proliferation

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proliferation or any other related matter" in Koizumi's conversation with the US President the day after the announcement of his visit to Pyongyang.

156 "N. Korea fires ballistic missile into Sea of Japan", *Kyodo News*, 31 August 1998; Kenji Hiramatsu, "Lead up to the signing of the Japan-DPRK Pyongyang Declaration", *Gaikō Fōramu*, vol. 2, no. 4, Winter 2003, pp. 20–30, p. 20.

157 "Professor says missile talks were targeted", *The Daily Yomiuri*, 31 August 1998.

158 Gavan McCormack, *Target North Korea: Pushing North Korea to the Brink of Nuclear Catastrophe*, New York, Nation Books, 2004, p. 128.

159 McCormack, *Target North Korea*, p. 158.

160 "Kita Chōsen no Tenkan dokomade" ("How far can changes be expected from North Korea?"), *Asahi Shimbun*, 18 September 2002, p. 8.

of weapons of mass destruction.[161] More practically for Japan, normalisation of relations with North Korea and a formal framework in which to negotiate was the best solution to avoid a potential military conflict on the peninsula. Military conflict would have had a significant impact on Japan through potential attacks on its military bases, refugee flows into Japan, the movement of investment capital out of the region, and the substantial financial burdens of reconstruction, and such a situation was also temporarily avoided through Koizumi's initiative.[162]

Thirdly, Japan's assertive policy of engagement towards the DPRK also reflected some wariness about the United States going over Japan's head as it had done previously in normalising its relations with China in the Nixon period. These fears were reignited when South Korean President Kim Dae Jung held a summit meeting with Kim Jong Il in June 2000, followed closely by an official visit to Pyongyang by the then US Secretary of State Madeleine Albright.[163] Even now, the impact of the "Nixon Shock" on Japan has not been forgotten, and the absence of consultations with the United States before Koizumi's trip to Pyongyang invoked images of a "Nixon Shock in reverse" in the Japanese media.[164]

In addition to fears of "Japan passing", Japan also prioritised engagement with the DPRK because it saw a rare chance to gain concessions on issues of nuclear and missile development and to settle its colonial history on Japanese terms because North Korea was facing food shortages and economic disaster at home.[165] It therefore took full advantage when North Korea began to signal its willingness to reopen dialogue.[166] The DPRK became particularly co-operative after George W. Bush named the DPRK as part of the "Axis of Evil" in his January 2002 State of the Union address and, in February of the same year, North Korea released a Japanese citizen held captive in the DPRK. The Japanese Ministry of Foreign Affairs patiently negotiated over the next several months, which eventually led to Koizumi's historic visit to Pyongyang. The Foreign Ministry

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161 "Kita Chōsen no Tenkan dokomade", *Asahi Shimbun*.

162 "Kita Chōsen no Tenkan dokomade", *Asahi Shimbun*.

163 Masao Okonogi, "The Nightmare Scenarios Promoting Negotiations", in Masao Okonogi, Hajime Izumi, Terumasa Nakanishi, Hisahiko Okazaki, "Four Views of the Pyongyang Summit", *Japan Echo*, vol. 29, no. 6, pp. 43–47, p. 43.

164 Chūō Kōron Editorial Division, "Nichi-Bei Dōmei wo mushi shita 'Tai-Bei Himistu Gaikō'", p. 40.

165 "Shushō Hōchō Ketsudan no Butai Ura—'Aku no Sūjiku' Hatsugen, Kita Chōsen ugokasu, Gunji kankeisha to Gokuhi Sesshō" ("Behind the scenes to the Prime Minister's decision to visit North Korea—'Axis of Evil' statement moves North Korea, top secret negotiations with military personnel"), *Nikkei Shimbun*, 8 September 2002, p. 2.

166 "Shushō Hōchō Ketsudan no Butai Ura", *Nikkei Shimbun*.

also wanted to ensure that the DPRK had a soft landing in the event of economic crisis or regime collapse.[167]

These were the Japanese government's motivations in supporting Koizumi's visit to Pyongyang amidst growing tensions in the United States. However, most importantly, Koizumi's visit and Hitoshi Tanaka's secret meeting with the DPRK officials in the lead-up to the visit were in fact communicated to the United States.[168] In early to mid-2002, when Tanaka was conducting his negotiations, "Koizumi kept US Deputy Secretary of State Richard Armitage informed of key details at critical times", to which Armitage responded with information about the DPRK's development of highly enriched uranium.[169] Koizumi's announcement had caught several US policymakers off guard, but there had been some communication with the United States, and Japan was proceeding with US interests in mind: "Armitage later recalled, 'The Prime Minister assured me that none of our interests would be harmed...and the Bush administration was confident that [Koizumi] would protect our joint interests.'" [170] Japan's communication of Koizumi's impending visit signified that its autonomous policy was far from a "Nixon Shock in reverse". Japan's reassurance also demonstrated the importance of its autonomous policies being conceived within the framework of its alliance with the United States.

Implications for Japanese Autonomy

Opinions were divided on the extent to which this episode in Japanese foreign policy signified a major break away from Japanese alignment with US foreign policy. Many senior officials within the Ministry of Foreign Affairs criticised the secrecy surrounding the visit as a slight on the US-Japan alliance.[171] One of the main reasons why the US-Japan security alliance continued to exist in the post-Cold War period was the threat of military conflict on the Korean Peninsula and also in the Taiwan Strait, and Koizumi's action did not seem to take this into account.[172] Despite the endurance of these security issues in the region, a senior Japanese diplomat acknowledged that "if Japan had

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167 "Shushō Hōchō Ketsudan no Butai Ura", *Nikkei Shimbun*.

168 Schoff, "Political Fences and Bad Neighbours", p. 4.

169 Schoff, "Political Fences and Bad Neighbours", p. 4.

170 Schoff, "Political Fences and Bad Neighbours", p. 4.

171 Chūō Kōron Editorial Division, "Nichi-Bei Dōmei wo mushi shita 'Tai-Bei Himistu Gaikō'", p. 41; Suzuki, Senior Assistant for Policy Co-ordination, Policy Co-ordination Division, Foreign Policy Bureau, interview 20 June 2003, Tokyo.

172 Chūō Kōron Editorial Division, "Nichi-Bei Dōmei wo mushi shita 'Tai-Bei Himistu Gaikō'", p. 41.

consulted with the US prior to Koizumi's visit, the plan would have been crushed".[173] However, Koizumi and Tanaka's "autonomous break" from US policy could not be fully carried out without some acquiescence on the part of the United States, just as the other domestic issues surrounding Japan-DPRK relations could not be resolved without US co-operation. The Pyongyang Declaration attempted to address regional security concerns over the DPRK but, because North Korea was not a signatory to the Missile Technology Control Regime (MTCR), there were no international laws preventing it from legitimately producing and exporting missiles and missile technology,[174] and the Declaration itself could not stop North Korea from developing and testing missiles. As the MTCR is an informal and voluntary non-proliferation regime, Japan is dependent on powers such as the United States to apply pressure on North Korea to participate in such regimes.[175] Therefore, however autonomous a foreign policy Japan adopted as an economic superpower in the region, as a subordinate alliance partner of a global economic and military superpower, it needed to be constantly aware of its continued dependence on the United States for support in other areas. Therefore, while Koizumi's visit to Pyongyang departed from the Bush administration's policies towards the DPRK, Japan had not strayed far from maintaining its general compliance with broader US policies.

The differences in policy stance between the United States and Japan in the second nuclear crisis can also be summed up as differences in their general attitude towards regime change in the DPRK. It was clear that the hard-line position of the United States under Bush signified an eagerness for immediate political change in the DPRK. On the other hand, as Okonogi argued, if Japan were in support of regime change, it would have supported the US position by maintaining a hard line and demonstrating greater support for military attacks.[176] However, Koizumi's decision to engage with a member of the "Axis of Evil", along with the signing of the Pyongyang Declarations, indicated that Japan was favouring a gradual transition of power in the DPRK. Kitaoka interpreted the Pyongyang Declaration as the Japanese government's recognition that its regional neighbour was potentially facing political and economic collapse and was in need of a soft-landing, regardless of the DPRK's unfavourable

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173 Ambassador Mitsurō Dōnowaki (Special Assistant to the Minister for Foreign Affairs of Japan), private conversations, 10 December 2004, Tokyo.

174 Kitaoka, "Koizumi Hōchō no Rekishi teki igi", p. 188.

175 Kitaoka, "Koizumi Hōchō no Rekishi teki igi", p. 188.

176 Okonogi, "The Nightmare Scenarios Promoting Negotiations", p. 43.

international standing in the "War on Terror".[177] Therefore, normalisation potentially held out the prospects of far greater benefits for the DPRK than it did for Japan.[178] Therefore, while engagement with the DPRK had been criticised by the United States as a means of prolonging the survival of the Kim Jong Il regime, Japan saw that engagement could influence gradual regime change.

Therefore, in comparison with the first nuclear crisis, autonomous policy as represented in Koizumi's first visit to Pyongyang necessitated greater negotiating with the United States after the visit. It was less likely in the second nuclear crisis that the differences of opinion between the United States and Japan would be combined constructively for a resolution as seen in the first nuclear crisis, given the more openly hostile stance of the Bush administration towards the DPRK. As a result, the Japanese government avoided confrontation with the United States through bolder action and less prior consultation. Despite the "special relationship" between President George W. Bush and Junichirō Koizumi, the Japanese government took the move of engaging directly with the DPRK from the sense that it needed to secure its own interests within the context of US unilateralism. However, the fact that Koizumi's visit was communicated to the US government beforehand demonstrates that autonomous Japanese foreign policies are still sensitive to the scrutiny of the United States.

Post-Pyongyang Declaration: Six-Party talks and Koizumi's Second Visit

Despite Koizumi's visit and the Pyongyang Declaration, the DPRK did not stop its nuclear development program, and the second nuclear crisis remained unresolved. The next section briefly discusses the developments after Koizumi's initial visit and analyses Japanese autonomy within this context. Japan had not made any further "surprise" diplomatic manoeuvres since September 2002, but continued to choose engagement with North Korea and played a mediatory role between the United States and the DPRK. However, it was forced to support a more hard-line position because of the escalation of the abduction issue domestically. It remained in consultation with the United States throughout the Six-Party Talks, and also in the lead-up to Koizumi's second visit to Pyongyang in May 2004.

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177 Kitaoka, "Koizumi Hōchō no Rekishi teki igi", p. 189.

178 Kitaoka, "Koizumi Hōchō no Rekishi teki igi", p. 189.

Six-Party Talks

After Koizumi's initial visit, the DPRK again returned to its position of demanding direct negotiations with the United States, but the United States remained adamant that it would not meet bilaterally until North Korea halted its nuclear activity.[179] Therefore, in an attempt to resolve the escalating tensions between the United States and the DPRK, China convened a trilateral meeting, which was then extended to include Russia, Japan and South Korea and became the Six-Party Talks.[180] The first round of talks was held in August 2003, the second round in February 2004, the third round in June 2004, the fourth round in July, August and September 2005, and the fifth round in November 2005. However, despite the talks, little headway has been made as yet in disarming North Korea.

The only tangible achievement of the Six-Party Talks thus far was the Joint Statement issued in the fourth round of September 2005. While South Korean President Roh Moo Hyun declared it an "epoch-making" accord, its actual content was vague, indicating the continuing conflict between the hard-liners (the United States and to and extent Japan) and DPRK sympathisers (China, South Korea and, to some extent, Russia).[181] It was more a statement confirming the intention of all parties to continue the talks rather than achieve specific results by a certain deadline.[182] In the statement, the DPRK declared that it was "committed to abandoning all nuclear weapons and existing nuclear programs and returning, at an early date, to the Treaty on the Non-Proliferation of Nuclear Weapons and to IAEA safeguards", but "stated that it has the right to peaceful uses of nuclear energy."[183] To this the United States and "other parties" had "expressed their respect and agreed to discuss, at an appropriate time, the subject of the

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179 John S. Park, "Inside Multilateralism: The Six Party Talks", *The Washington Quarterly*, vol. 28, no. 4, Autumn 2005, pp 75–91, p. 76.

180 Tae-Zhee Kim, "Six-Party Talks and Korea", *Korean Observations on Foreign Relations*, vol. 6, no. 1, April 2004, pp. 49–59, p. 50; Park, "Inside Multilateralism", p. 76.

181 "The Deal that wasn't: North Korea", *The Economist*, vol. 376, issue 8445, 24 September 2005, p. 81.

182 "Rokkakoku Kyōgi Kyōdō Seimei, Rachi to Kaku, Dōji Shinten Kitai – Nihon kensetsuteki taiō yōkyū e" ("The Six-Party Talks Joint Statement, Anticipations for Abduction and Nuclear Issues to be dealt with simultaneously—Moves to request Japan's constructive response"), *Nihon Keizai Shimbun*, 20 September 2005, p. 2; "The Deal that wasn't", *The Economist*, p. 81.

183 "Joint Statement of the Fourth Round of the Six-Party Talks", *The Ministry of Foreign Affairs of Japan Website*, http://www.mofa.go.jp/region/asia-paci/n_korea/6party/joint0509.html, accessed 27 June 2006.

provision of light water reactors to the DPRK."[184] In other words, the statement simply documented the US and the DPRK's intent to "agree to disagree".

Although Japan was essentially sided with the United States within the Six Party talks, again there were still slightly diverging positions between the two states, the main point again being that the United States adopted a hard-line position while Japan continued to favour greater engagement.[185] The United States argued that the DPRK should follow the Libyan model of voluntary nuclear disarmament if it wanted to engage with the United States and international society more broadly.[186] While Japan supported the US position, its officials were somewhat sceptical of the success of the Libyan model, and had several reasons to take a divergent position from that of the United States. Japan was firstly particularly concerned that excessive pressure on North Korea would drive it to launch nuclear- or chemical-warhead-armed missiles on Japan.[187] As a result, Tokyo argued that eliciting gradual changes in the DPRK through dialogue and engagement were important, and was the presentation of at least a road map to the DPRK in resolving the nuclear crisis.[188] The Japanese Foreign Ministry also supported a report by a special taskforce, which declared that "Japan's objective [was] not to overturn the regime in North Korea but to gradually change the nature of its political and economic systems."[189] However, the United States was hesitant to offer anything that North Korea might interpret as a concession.[190]

Secondly, Japan continued to emphasise engagement with North Korea, because there was also an emerging difference of priorities between Japan and the United States in resolving the problem on the Korean Peninsula. In both the first nuclear crisis and the

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184 "Joint Statement of the Fourth Round of the Six-Party Talks", *The Ministry of Foreign Affairs of Japan Website.*

185 "Talking with North Korea: Japan to go its own way at 6-nation talks", *Asahi Shimbun*, 25 August 2003.

186 Park, "Inside Multilateralism", p. 79. This US perspective was also confirmed by Japanese Ministry of Foreign Affairs in an interview in Tokyo with Kazuhiro Suzuki, Senior Assistant for Policy Co-ordination, Policy Co-ordination Division, Foreign Policy Bureau, on 20 June 2003. Suzuki had participated in the Trilateral Co-ordination and Oversight Group (TCOG) meeting in Honolulu on 13 June 2003.

187 Katsu Furukawa, "Japan's View of the Korea Crisis", *North Korea Special Collection*, Monterey California, Center for Nonproliferation Studies, 25 February 2003, http://cns.miis.edu/research/korea/index.htm, accessed 20 June 2006.

188 "Talking with North Korea", *Asahi Shimbun.*

189 Task Force on Foreign Relations for the Prime Minister of Japan, "21 Seiki Nihon Gaikō no Kihon Senryaku—Arata na Jidai, Arata na Bijon, Aratana Gaikō ("Basic Strategies for Japan's Foreign Policy in the 21st Century New Era, New Vision, New Diplomacy"), *Prime Minister of Japan and His Cabinet Website*, http://www.kantei.go.jp/jp/kakugikettei/2002/1128tf.html, accessed 26 June 2006.

190 "Talking with North Korea", *Asahi Shimbun.*

beginning of the second, there was the fear that military conflict could break out on the Korean Peninsula. However, because the United States was more concerned with international Islamic terrorism (even though the DPRK in fact engaged in regional terrorist activities against South Korea and Japan), particularly after it launched Operation *Iraqi Freedom* in March 2003, it became comparatively less concerned about regional instability caused by North Korea.[191] On the other hand, decreasing US interest was unfavourable for Japan, as instability on the Korean Peninsula affected Japan directly. The DPRK's testing of two Taepodong missiles in June 2006 increased these concerns.[192] While there were some in the Defence Agency of Japan who previously voiced support for pre-emptive strikes against North Korea,[193] besides the obvious obstacle of the pacifist constitution, Japan could not carry this out without extensive support from the United States in terms of intelligence and other military resources.[194] Therefore, because of the immediate danger North Korea still posed, Japan continued to maintain a more moderate position than the United States.

Koizumi's Second Visit to Pyongyang

However, while the Japanese government was concerned about excessive hard-line pressure from the United States, at the same time, it came under increasing domestic pressure to adopt a hard-line stance toward North Korea, particularly after Kim Jong Il's admission of abducting Japanese citizens.[195] The admission evoked a strong emotional domestic response, and the Japanese government was fervently pressured to demand a resolution of the abductions issue as a condition for the resumption of dialogue, negotiations and aid.[196] As a consequence, Koizumi and the Japanese government had to maintain the semblance of a hard-line stance despite Japan's concerns that such an

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191 Park, "Inside Multilateralism", p. 78.

192 "Tokushū—Tepodon 2hatsu Jyunbi, Kita Chōsen Kokusai Shakai Chōhatsu, Beichō Kōshō nerai? Kiki Enshutsu" (Special—North Korea prepares two Taepodong Missiles, Display of Danger Provokes International Society, aimed at US-DPRK negotiations?"), *Nihon Keizai Shimbun*, 22 June 2006.

193 The then Director-General of the Japan Defence Agency, Shigeru Ishiba, gave testimony in the Japanese House of Representatives of a willingness to carry out pre-emptive strikes: "We will consider the start [of a military attack] if [Pyongyang] expresses an intention to demolish Tokyo and starts fueling its missiles to realize that." See Nao Shimoyachi, "Pre-emptive Strike Ability Next on Agenda?", *Japan Times*, 23 May 2003.

194 Shimoyachi, "Pre-emptive Strike Ability Next on Agenda?"

195 Hisahiko Okazaki, "Yoron no Fungeki Haikei ni 'Kita' niwa Tsuyoi Shisei de" ("Taking a firm position on North Korea with public anger in the background"), *Sankei Shimbun*, Early Edition, 22 September 2002, p. 9.

approach could drive North Korea further towards rash, dangerous behaviour and brinkmanship diplomacy.

In order to ease the situation surrounding the abduction issue, Koizumi made a second visit to Pyongyang in May 2004.[197] This visit was criticised as demonstrating "under-prepared and amateurish negotiations" by Koizumi,[198] but the DPRK nonetheless benefited with 250,000 tonnes of food and US$10 million in medical supplies.[199] No progress was made with regard to the nuclear issue, and Koizumi was also harshly criticised for his inability to bring back all eight family members of the abductees (in the end only five returned) to Japan in October 2002, and for only coming back with an unconvincing DPRK promise to restart investigation of another 10 missing Japanese citizens.[200] However, Koizumi was careful not to let the abduction issue overtake other broader issues of regional stability, and sought to re-start normalisation negotiations between Japan and the DPRK, and clearly stated in his press release after his visit that changing the Japan-DPRK relationship into one based on co-operation was the most beneficial for the interests of both states.[201]

Koizumi's second trip was also successful in more subtle ways, particularly vis-à-vis the United States. Because the United States had launched Operation *Iraqi Freedom* in early 2003, its primary interest was to avoid a two-front war.[202] Since the United States was in a position where it had little room for political movement due to the "War on Terror", Japan found it useful to confirm the intentions of DPRK nuclear

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196 Terumasa Nakanishi, "Koizumi no Ayaui 'Seika' Kyōdō Sengen to Kuchi Yakusoku ni Rakusa" ("The Dangerous Outcomes of Koizumi's trip to North Korea: Gaps between the Joint Declaration and Verbal Promises"), *Mainichi Shimbun*, Early Edition, 22 September 2002, p. 4.

197 "Another Day Trip to Pyongyang?", *Far Eastern Economic Review*, vol. 167, no. 20, 20 May 2004, p. 6; "Nicchō Shunō Kaidan, Bei Chū Kan, Kinchō Kanwa ni Kitai—Bei Nihon wo Zenmen Shiji" (Japan-DPRK Head of States Meeting, US, China and South Korea look forward to an easing of tensions—US fully supports Japan"), *Nihon Keizai Shimbun*, 22 May 2004, p.3; "Koizumi Shushō Hōchō no Zenmen Shiji wo Bei Seifu Hyōmei", *Asahi Shimbun*, 22 May 2004, Evening edition, p. 3.

198 Takao Iwami, Takeshige Kunimasa and Gorō Hashimoto, "'Kantei Naiseihen' ga motarashita Koizumi Seiken no taerarenai Karusa" ("The Unbearable Flippancy of the Koizumi Government brought about by the internal changes of the Prime Minister's Office"), *Chūō Kōron*, vol. 1442, no. 119, issue 7, July 2004, pp. 39–48, p. 43.

199 Akio Watanabe, "Koizumi Shushō ni Gaikō Seiryaku ariya? Saihōchō wo tou" ("Does Prime Minister Koizumi have a Diplomatic Strategy or not? The Significance of the Second trip to North Korea Questioned"), *Chūō Kōron*, vol. 1442, no. 119, issue 7, July 2004, pp. 34–37, p. 35.

200 Iwami, Kunimasa and Hashimoto, p. 43. Hirotaka Watanabe, "Evaluating Koizumi's Second Trip to North Korea: Izumi Hajime interviewed", *Japan Echo*, vol. 31, no. 4, August 2004, pp. 6–11, p. 7.

201 "Nicchō Shunō Kaidan gono Kisha Kaiken" ("Press Statement after the Japan-DPRK Heads of State Meeting"), *Prime Minister of Japan and His Cabinet Website*, http://www.kantei.go.jp/jp/koizumispeech/2004/05/22press.html, accessed 26 June 2006.

202 "Kinkyū Taidan: Koizumi Sai Hōchō Okonogi Masao Keiō Daigaku Kyōju to Rī Jon Uon Rikkyō Daigaku Kyōju Hanashi au" (Special Dialogue: Koizumi visits Pyongyang again, Masao Okonogi

disarmament and to mediate the tensions between the United States and North Korea in preparation for the third round of the Six-Party Talks.[203]

Thus, the second visit to Pyongyang was not an episode of "surprise" autonomous diplomacy and was not therefore criticised by the United States. However, it was nonetheless interpreted as being an extension of the original autonomous plan that sought engagement with the Kim Jong Il regime.[204] Okonogi argued that it was unlikely that the DPRK government would collapse in the near future even though the DPRK government was by no means stable, given that it survived the acute economic crisis of the late 1990s.[205] Consequently, Japan displayed foresight in assuming the continuation of the DPRK government and to instead encourage gradual regime change through economic reform within North Korea. Whilst there was little objection from the US administration with regard to the second trip, the fundamental difference of attitude towards the DPRK regime between Japan and the United States remained. Therefore, it was important for Japan to assure the United States that it would act with US interests in mind, demonstrating that its autonomous policies were independent of the United States, but at the same time conducted within the restrictions of broader US hegemony.

Conclusion—Considerations for Carrots, Sticks and the United States

The comparison of the US and Japanese position toward the DPRK demonstrated that the United States maintained a hard-line policy while Japan adopted a pro-engagement policy throughout the post-1945 period. While both countries had no official relations with the DPRK, Japan clearly had greater economic and social connections with North Korea by means of individual politicians and its domestic Korean population even during the Cold War years in comparison with the United States.

However, there were three broad factors that influenced Japan to take an autonomous foreign policy line: its domestic Korean population; fears of regional instability; and fears of the United States going over the head of Japan. Firstly, a significant portion of Korean residents in Japan were sympathetic to the North, and

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Professor at Keiō University and Lee Jong Wong Professor at Rikkyō University converse"), *Mainichi Shimbun*, 24 May 2004.

203 "Kinkyū Taidan: Koizumi Sai Hōchō Okonogi Masao Keiō Daigaku Kyōju to Rī Jon Uon Rikkyō Daigaku Kyōju Hanashi au", *Mainichi Shimbun*.

204 "Kinkyū Taidan: Koizumi Sai Hōchō Okonogi Masao Keiō Daigaku Kyōju to Rī Jon Uon Rikkyō Daigaku Kyōju Hanashi au", *Mainichi Shimbun*.

supported the DRPK regime through *Chōsen Sōren* illicit capital transfers.[206] Given these ties and the fact that Koreans were the largest ethnic minority in Japan, it was necessary for the Japanese government to maintain good relations with their regional neighbour for the sake of domestic stability.[207] This was achieved in the early post-Cold War period through the repatriation of Korean residents in Japan back to North Korea.

The second factor influencing Japan's autonomous policy was the serious security threats to it which the DPRK posed, particularly from the 1970s onwards. During this period, North Korea built up its nuclear capabilities and kidnapped Japanese citizens. However, unlike the United States, Japan addressed this threat through engagement, from the viewpoint that this would encourage gradual regime change. The DPRK's belligerent international behaviour also made the Korean Peninsula a possible scene of military confrontation, which would have substantial negative consequences for Japan's security given its geographical proximity. Particularly at the height of the first and second nuclear crisis in 1993, 1994 and 2002, military strikes were a real possibility.[208] Japan's security also came directly under threat when the DPRK launched Taepodong missiles into the Pacific in 1998,[209] and sent armed vessels into Japanese waters in 2001. Because of this, the swift resolution of these regional security issues through engagement was a matter of priority, despite the US hard-line position toward North Korea at the time.

Thirdly, and most importantly, Japan's autonomous engagement with the DPRK was conducted with the aim of extracting some potential political leverage over the United States in mind. Japan's primary concern was that the United States might initiate political rapprochement with North Korea without consulting Japan. This had happened in the Sino-American rapprochement of the "Nixon Shocks" and, based on this experience, Japan wanted to maintain a degree of political self-sufficiency and have a head start in its relations with North Korea to avoid another "Nixon Shock" situation.[210] This fear was reignited when Kim Dae Jung held a summit meeting with Kim Jong Il in

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205 "Kinkyū Taidan: Koizumi Sai Hōchō Okonogi Masao Keiō Daigaku Kyōju to Rī Jon Uon Rikkyō Daigaku Kyōju Hanashi au", *Mainichi Shimbun*.

206 Nishioka, "North Korea's Threat to the Japan-US Alliance", pp. 39–41; Eberstadt, "Financial Transfers from Japan to North Korea", pp. 523–42.

207 Chung, "Japan's Korean Community in Transition", p. 32.

208 McCormack, *Target North Korea*, p. 158.

209 "N. Korea fires ballistic missile into Sea of Japan", *Kyodo News*; Hiramatsu, "Leadup to the signing of the Japan-DPRK Pyongyang Declaration", p. 20.

210 Ōtsuka, "Prospects for Japan-Korea Defense Cooperation", p. 44.

June 2000, which was followed closely by an official visit to Pyongyang by Madeleine Albright.[211] While this US overture was not directly connected to Koizumi's first trip to Pyongyang in September 2002, it was significant that the visit did resemble a "Nixon Shock in reverse".[212] Engagement with the DPRK autonomously became increasingly important as the Bush administration began to show signs that the resolution of the crisis on the Korean Peninsula was diminishing in its priorities. This was particularly evident as it became increasingly engrossed in combating international terrorism after the launch of Operation *Iraqi Freedom* in March 2003.[213]

US attitudes to Japan's autonomous initiatives can be summarised as co-operative with respect to Japan's concerns about regional security, but ambivalent and cautious of Japan's later autonomous initiatives. During the early Cold War period, the United States did not actively encourage Japan's policy of *seikei bunri* and engagement with the "two Koreas", but neither did it strongly object to Japan's interactions with the DPRK, despite the Korean War of the 1950s. This was mainly due to the fact that, following the Korean War, the United States had almost completely disengaged itself diplomatically from the DPRK, and it was not a major issue on the US foreign policy agenda.

More recently, US co-operation in regional security issues was reflected in its tolerant position towards the Japanese stance of engagement during the first nuclear crisis. The United States at times questioned the utility of the US-Japan alliance during the first nuclear crisis, particularly in the face of Japan's reluctance to support military strikes.[214] However, it was saved by the Clinton administration's sensitivity to regional interests, which was also reflected in the content of the Agreed Framework. The United States also continued to demonstrate an understanding of Japan's concerns about regional security issues during the Six Party talks, but displayed some differences in its approach to disarming the DPRK of its nuclear capabilities. While Japan feared excessive pressure would only exacerbate North Korea's belligerent attitude, the United States insisted in the Six Party Talks that the DPRK needed to halt all its nuclear development activities before any concessions would be made.

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211 Okonogi, "The Nightmare Scenarios Promoting Negotiations", p. 43.

212 Chūō Kōron Editorial Division, "Nichi-Bei Dōmei wo mushi shita 'Tai-Bei Himistu Gaikō'", p. 40.

213 Park, "Inside Multilateralism", p. 78.

214 As a consequence of Japan's reluctance to support military strikes, it almost faced déjà vu criticisms from the US paralleling the 1991 Gulf War.

However, in contrast to the co-operation in the first nuclear crisis and the Six Party Talks, the United States was ambivalent about Koizumi's visit to Pyongyang in September 2002—a Japanese initiative to defuse tensions caused by the DPRK in the lead-up to the second nuclear crisis. US ambivalence about Koizumi's overture stemmed from US fears that Japanese economic assistance to the DPRK would work against the US position of cutting off economic co-operation until North Korea halted its nuclear development program.[215] Rapid normalisation between Japan and the DPRK could also potentially lead to a lessening of US political influence in the region in general. Therefore, the US impression of Koizumi's first trip was not entirely favourable, despite official reports to the contrary. Koizumi's following trip in May 2004 was less alarming for the United States because it had commenced its attack on Iraq, and its primary interest was not to fight a two-front war.[216] Given that the United States was occupied with the "War on Terror", it was useful for the United States to have Japan confirm DPRK intentions of nuclear disarmament and mediate the tensions between the United States and North Korea in the interim.[217] Consequently, in the unresolved second nuclear crisis, the Bush administration did not raise military strikes on North Korea as an option, despite its strong unilateral position.

In conclusion, Japan managed to resolve tensions between its autonomous policies and US foreign policy through the separation of economics and politics, or *seikei bunri*, political and economic mediation, and also "surprise diplomacy". These policies show that while Japan pursued autonomy in order to gain independence away from the United States, it was not pursued *against* the US. Like its relations with Iran, the Japanese government justified its relations with North Korea in the 1970s by saying that it could act in a mediatory role both between the ROK and the DPRK and between the United States and the DPRK.[218] Japan overcame its different position by establishing its North Korea policy within broader US Cold War politics and endeavouring to make its relations with the DPRK as useful to the United States as possible. It was sensitive to US and ROK interests and, as a consequence, its ties with North Korea consisted of

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215 Pilling, "Koizumi vows to Revive Stalled talks with N Korea", p. 8.

216 "Kinkyū Taidann: Koizumi Sai Hōchō Okonogi Masao Keiō Daigaku Kyōju to Rī Jon Uon Rikkyō Daigaku Kyōju Hanashi au" (Special Dialogue: Koizumi visits Pyongyang again, Masao Okonogi Professor at Keiō University and Lee Jong Wong Professor at Rikkyō University converse"), *Mainichi Shimbun*.

217 "Kinkyū Taidann: Koizumi Sai Hōchō Okonogi Masao Keiō Daigaku Kyōju to Rī Jon Uon Rikkyō Daigaku Kyōju Hanashi au", *Mainichi Shimbun*.

218 United States Joint Publication Research Service, p. 5; Ko, "North Korea's relations with Japan since Détente", p. 32.

narrow economic relations through *seikei bunri* and were otherwise quite limited and intermittent until the 1990s. Moreover, the strategic separation of economic issues from political issues ensured that Japan was able to adopt autonomous policies within the Cold War framework. Thus, while Japan's relations with the DPRK in the early post-1945 period seemed contradictory to US Cold War policy; it never fundamentally strayed from the hegemony of the United States.

US sceptical reactions to Koizumi's visit to Pyongyang suggest that Japanese autonomous policy was perceived with caution. Anticipating this suspicion, it was pursued by initially formulating a "surprise" policy or presenting a plan as a *fait accompli*. In other words, like the AMF proposal, in order to push through an autonomous policy, Japan came up with the plan first, and then dealt with the US reactions later. It chose not to discuss the Pyongyang visit with the United States in detail prior to the public announcement, because policies perceived as straying too far from the US line or as possibly threatening US influence in the region would be nipped in the bud at the discussion and negotiation stage. "Surprise" diplomacy ensured that once the policy position was officially announced, the United States could object to, yet not easily stop, the subsequent signals Japan sent about its role and vision for the region. The only US influence was over how Japan consequently *modified* its autonomous initiatives after making them and, as a result, in the case of Japan's relations with the DPRK, the United States supported Japanese initiatives to ensure that Japanese autonomous policies at least remained within broader US goals. Japan-North Korea relations illustrate the patterns of restricted autonomy practised in Japanese foreign policy.

Nevertheless, Japan still needed to maintain co-operation with its more powerful alliance partner because the United States could apply greater pressure to the DPRK in addressing concerns over nuclear and missile issues. For this reason, however autonomous a foreign policy Japan adopted as an economic superpower in the region, as a subordinate alliance partner of a global economic and military superpower, it needed to be constantly aware of its continued dependence on the United States for support in other areas. Therefore, Japan's post-Second World War relationship with the DPRK demonstrated that autonomy for Japan was not necessarily the freedom to unilaterally assert unilaterally its interests in its foreign policy, but the freedom to operate within its main restriction, namely the US-Japan alliance. Bolder initiatives such as Koizumi's

initial visit to Pyongyang appeared to be away from the US diplomatic line in comparison to Japan's position in the first nuclear crisis. However, Koizumi's action in effect remained within the restrictions imposed by US-Japan relations, and, autonomy for Japan thus equated to its ability to achieve differing interests within these restrictions. The case study clearly shows how Japan worked within the US hegemonic system and how its identity, formed within this hegemonic system, guided Japan's restricted pursuit of autonomy.

The conclusion which follows revisits the earlier discussions on US hegemony and autonomy in International Relations Theory and Japanese political philosophy in light of the findings of the three examples. It concludes the thesis by contrasting the characteristics of autonomy seen in the three examples, answers the original central research questions and discusses the implications of this study for the broader literature on International Relations and Japanese foreign policy analysis.

CONCLUSION

This thesis has investigated the nature of autonomy as practised in Japanese foreign policy and how it has been pursued under US hegemony. It has argued that, as a consequence of Japan's worldview being predominantly influenced by US hegemony and the US-Japan alliance, autonomy as practised in post-1945 Japanese foreign policy has been more limited and restricted than conventionally conceptualised and suggested in International Relations theory. It overturned the idea that Japan has functioned with a view of the world as anarchy by proposing instead that its worldview and foreign policies were more influenced by its position as a subordinate state under US hegemony, and that this perception of the world and its position within it shaped its pursuit of restricted autonomy.

Through an analysis of autonomy across a broad spectrum of International Relations theory in Chapter One, this inquiry established how autonomy has often been framed by the notion of sovereign statehood. Inflated assumptions about autonomy as a tool to achieve state interests were prevalent particularly in rationalist theories, because they placed priority on "rational" behavioural patterns inherent in actors that assumed a high degree of freedom of action. As a consequence of these assumptions, there were many disparate and misinterpreted accounts of Japanese foreign policy and the direction of Japanese autonomy.

The argument of the thesis challenged existing interpretations of Japanese autonomy by examining three episodes of *restricted* autonomy under US hegemony in Japanese foreign policy: Japan's relations with Iran; the Asian Monetary Fund proposal; and Japan's relations with North Korea. In each of these, Japanese policies ran counter to the US policy position, but were pursued within the boundaries of Japan's relationship with the United States. Three questions were posed: What does autonomy mean in Japanese foreign policy?; How is autonomy pursued in Japanese foreign policy?; and does Japan pursue autonomy in order to gain independence from the United States?

Characteristics of Japanese Autonomy

In order to identify autonomy, this study focused on those specific examples where Japan's state interests differed from the US policy position, and how this autonomous position was negotiated amidst US objections. In the introduction and Chapter One, constructivist theory was coupled with hegemony and David C. Kang's theory of hierarchy to not only question competitive, aggressive self-help state behaviour as being an inherent part of an anarchical international system, but also to question whether Japan's worldview was based on the principle of anarchic self-help at all.

Chapter Two detailed Japan's socialisation into US hegemony after the end of the Second World War, and the examination of Japanese political philosophy in Chapter Three also highlighted Japan's long history of referring to external values and ideas, namely Western models of industrial and political modernisation when defining statehood and autonomy. These two chapters supported the argument that Japan's foreign policy was strongly influenced by its subordinate position in a system of US hegemony and the external values and interests of the United States and US hegemony more broadly. It concluded that Japan's perceptions of itself and the world are based on the restrictions under US interests and US hegemony, which in turn informed its foreign policy. Therefore, not only is Japanese autonomy more limited and restricted than assumed in rationalist theories, but Japan did not seek to compete with the United States for a position of hegemony as realist analyses of Japan in particular often assumed it would.

The findings of this thesis suggested that autonomy as practised in Japanese foreign policy was narrower than conventionally assumed in rationalist International Relations theory. The findings in Chapters Four, Five and Six confirmed that, as a consequence of being embedded in US hegemony, Japanese autonomy was necessarily reactive, because it needed to constantly evaluate its interests against the interests of the United States and, more broadly, the values of US hegemony itself. Japanese autonomy was therefore significantly different from the definition of autonomy in International Relations theory—the liberty of a state which enables it to exercise control over its allocation of resources and choices of government. Rather, Japanese autonomy was reactively negotiated and motivated by meeting domestic interests and international expectations without disrupting US hegemony, even as its economic capacities and

international status increased. Because of the different nature of Japanese autonomy, its foreign policy did not follow rationalist assumptions.

Patterns in Pursuing Restricted Autonomy: Key Strategies

The investigation of the three examples found that autonomy varied across issue areas, but, more significantly, that it was asserted in areas that were not necessarily where Japan was perceived to have greatest influence. Given Japan's economic and financial power, rationalist theories would assume that Japan's ability to exercise independent policies was the greatest in this policy area; however, this thesis demonstrates that this was not necessarily the case.

Of the three examples, Japan's relations with Iran revealed that resource diplomacy was actually the area where Japan was most openly assertive in its autonomous policies. During most of the post-Second World War period, Japan overrode US concerns over terrorism, human rights and nuclear development in Iran to favour a policy of engagement, or what it termed *dokuji gaikō*, which also more practically signified a determination to secure supplies of oil for Japan. The need for an autonomous stance can be traced back to the first oil crisis, when US Secretary of State Henry Kissinger declared that the United States was unable to supply Japan with oil in the absence of Arabian supplies. As a consequence of this US statement, Japan's relations with Iran have been implicitly accepted by the United States, even when they contradict US interests. This policy continued after the Cold War, and also persists in the current context of the "War on Terror".

In contrast, the Asian Monetary Fund (AMF) example demonstrates that Japanese autonomous initiatives were not necessarily most evident in economic and financial issues, despite Japan's status as an economic power. This finding conflicts with rationalist International Relations theory, which assumes that greater material capabilities can achieve greater state interest. Furthermore, the AMF proposal itself was quite original and innovative and had its origins in a truly Japanese standpoint of regional financial and monetary regulation, but was quashed immediately by the United States. The force of the objections from the United States indicated that Japanese autonomous policies—especially those that insinuate a position of leadership in the Asian region—were seen as threatening US authority, and being particularly vulnerable to the restrictions of the US-Japan alliance.

More significantly, key findings of this thesis were the patterns of restricted autonomy as practised in Japanese foreign policy. There were three strategies that were used in order to maintain Japan's autonomy within the constraints of US hegemony: maintaining utility to US interests, surprise diplomacy, and appeasement of the United States, particularly under crisis conditions.

Maintaining Utility to the United States

Japan did practise autonomous policies in order to seek independence from the United States. This was seen in its relations with Iran, the AMF proposal and its relations with North Korea but, in all examples, autonomous policies remained within a framework of US hegemony. Japan was able to carry out these policies by making sure that its autonomous initiatives were useful to US interests and the US-Japan alliance. While Japan argued that an AMF proposal would ensure regional financial stability and therefore benefited US interests, this "utility" approach was particularly pronounced in Japan's relations with Iran and North Korea. Japan's engagement with Iran was convenient for the United States, because it could utilise the information and communication channels that Japan cultivated, while maintaining its hard-line rhetoric. Like its relations with Iran, Japan also endeavoured to make its relations with the DPRK as useful to the United States as possible and promoted itself as a mediator between the ROK and the DPRK and between the United States and the DPRK. It also toned down its relations with North Korea by only engaging in narrow economic relations through *seikei bunri*. The same can be said of Japan's engagement with North Korea, both during the Cold War and the Six Party Talks, which enabled a "good cop" (Japan), "bad cop" (United States) approach to the DPRK. Nevertheless, it was crucial for Japan to remain within US hegemony, as it depended on the United States in addressing concerns over nuclear and missile issues. For this reason, however autonomous Japanese foreign policy was as an economic power of the region, as a subordinate alliance partner of a global economic and military superpower, it needed to be constantly aware of its continued dependence on the United States for support in other areas.

Surprise Diplomacy

All three examples demonstrate that Japanese policymakers pursued autonomous policies within the US-Japan alliance framework by establishing the proposed policies

or initiatives as an existing reality. In other words, Japanese autonomous policy, in the case of the three examples analysed in this thesis, was developed as a *fait accompli* or through "surprise" diplomacy. Japan continually engaged with Iran, establishing long commercial and diplomatic relations with the country, such that the United States could not ignore Japan's historical involvement, even if it went against US foreign policy. The Azadegan oil field development was an example of this. The AMF was a proposal where the "surprise" tactic was also employed, and the Japanese government did not include the United States in its discussions. While Japan gradually built up an "existing reality" of imminent normalisation with the DPRK throughout the post-Second World War period, notification to the United States of Koizumi's visit to Pyongyang was also delivered as a *fait accompli*. Once a proposal or a policy was made official with diplomatic backing—be it from the Iranian government, the Asian region or the DPRK—the United States could object, but it could not as easily stop the momentum or the signals that Japan's position sent out internationally. All it could really influence is how Japan *modified* its autonomous initiatives after US objections. Thus, rather than formally discussing the plan with the United States beforehand, the cases showed that Japan pursued autonomous policies by going ahead with the plan first, and then dealing with US reactions later.

Modification of Policies under US Pressure for Temporary Appeasement

While Japan often deployed surprise diplomacy in pushing through autonomous policy, it usually modified its policies in an ad hoc fashion in the face of US doubt or criticism, particularly in crisis situations. The cases therefore demonstrate that Japan did sustain autonomous policy positions in its foreign relations, but that they were subject to negotiation and modification, depending on US responses. Furthermore, the negotiation process also demonstrated that autonomy in post-Second World War Japanese foreign policy was restricted within the boundaries of US hegemony. This meant that Japan needed to formulate its foreign policy decisions by factoring in US interests and, therefore, it had a significantly narrower scope of liberty in determining its state interests.

Japan's reactive adjustment to the US position was seen in all three cases. Japan made adjustments to US policies and it declared that the US-Japan alliance was more important than securing oil at several crucial moments in history. Adjustment to US

pressure was seen firstly during the Cold War period in Japan's quick amendment of its relations with Israel after Japan took a clearly pro-Arab position during the first oil crisis. It was seen again during the US Embassy hostage crisis in Tehran 1979, with the Japanese government making a difficult decision to publicly prioritise the US-Japan alliance over secure oil supplies and relations with Iran. Japan also attempted to soothe US pressure on its relations with Iran in the post-Cold War period by postponing major yen loans to Iran on several occasions across the 1990s and, subsequently, in the deployment of the Japanese Self Defence Force to Iraq during Operation *Iraqi Freedom*. Therefore, the Japanese stance on its relations with Iran and the Middle East in general indicated that it did not tow the US line, yet at the same time did not diminish the importance of the US-Japan alliance in Japanese foreign policy either.

While Japan's AMF proposal did indeed challenge some fundamental ideas behind US and IMF attitudes toward financial and monetary crises, it did not necessarily intend to ultimately challenge US hegemony in the region. This was because Japan and the region depended on the United States for security. Therefore, adjustments were also made after the United States objected. Japan instead implemented new regional monetary systems such as the New Miyazawa Initiative in 1998, and the IMF-compatible Chiang Mai Initiative in 2000. The new initiatives assumed functions similar to those proposed for the AMF, but, significantly, they also included the United States or were compatible with the IMF. In addition, there was a significant difference in leadership of the new institutions' more modified monetary proposals. Japan had designated itself as the leader in the AMF, but the new initiatives had toned down elements of Japanese leadership. Japan also modified the timeframe in which to achieve a formal regional monetary and financial institution and changed the AMF into a longer-term goal.

Early post 1945 Japanese relations with the DPRK were less restricted by US policies due to a lack of US engagement with North Korea after the Korean War. However, Japan was never completely free of US pressure, and still had to modify its modified its relations with North Korea by separating economics and politics (or *seikei bunri*) during the Cold War period. It also consciously balanced its relations with the DPRK alongside co-operation with South Korea and the United States over economic and regional security issues. This was particularly evident in Japan's behind-the-scene support during the negotiations of the first nuclear crisis of 1993–94. In the second

nuclear crisis, while Japan did not communicate its plans for Japanese Prime Minister Junichiro Koizumi's historic first visit to Pyongyang in September 2002, it tried to counterbalance this diplomatic initiative by sending SDF support to Iraq in the US-led "War on Terror" and co-operation with the US position in the Six Party Talks. Japan's relations with North Korea throughout the post-1945 period demonstrated that there was no indication that it was a move that signified a shift away from the Japanese government's support of existing US foreign policy, and that it was not an initiative that sought to move away from the US-Japan alliance or challenge US hegemony. This was made clear in the Japanese government's balancing of engagement with North Korea within broader US Cold War politics and continued co-operation with the United States during the post-Cold War period.

Autonomy against the United States? Answering the Central Research Questions

To return to the central research questions, the findings of the three examples lead to the following answers to the three central research questions. Firstly, the meaning of autonomy in Japanese foreign policy involved restricted state actions reactively negotiated within US-dominated values and interests. Japan's main motivation in pursuing this form of autonomy was to meet domestic interests and international expectations without disrupting US hegemony. It was important for Japan to maintain US hegemony because, as Ruggie argued, Japan was "embedded" into the US hegemonic system and benefited from the system both in economic and security terms. Thus, Japan recognises its subordinate place within US hegemony, and this position within US hegemony informs its restricted pursuit of autonomy.

Secondly, Japan pursued autonomy by constantly adjusting to US reactions and criticisms or by ignoring the initial co-ordination process in directly presenting policies through "surprise diplomacy". This strategy indicated the Japanese government's awareness that it functioned within the restrictions of US hegemony and that its foreign policy options were restrained. It also shows that Japan endeavoured to pursue its interests within the restrictions while knowing that there would be a reaction from the United States. The adjustments that Japan made and its "surprise diplomacy" revealed that autonomy in the Japanese context did not come with sovereign statehood, and thus it did not act as a rational actor as expected in rationalist theories. From this observation, this study argued that autonomy was not a characteristic inherent in state sovereignty,

but depended on the political, historical and social circumstances surrounding a particular state.

Finally, all three examples demonstrate that Japan may pursue autonomy in order to gain independence *away* from the United States, but does not pursue autonomy *against* it. In this study, this meant the pursuit of Japan's own foreign policy position when it conflicted with the United States, but not necessarily representing a conflict with the US position or a direct challenge to US hegemony. Therefore, Japan's pursuit of autonomy in Japanese foreign policy should not be interpreted as seeking to break away from the US-Japan alliance. While some may argue that the pursuit of this kind of autonomy is not necessarily specific to Japan's alliance with the United States and is applicable to other unequal alliances, the degree to which Japan is integrated into US hegemony and restricted by it, particularly in its Constitution, is far greater than other alliances that the United States has maintained since the Second World War.

Implications

Implications for understanding Japanese autonomy and Japanese foreign policy

A major implication of this study in understanding Japanese autonomy and Japanese foreign policy is connected to the interpretation of autonomy under US hegemony as a process of negotiation, rather than as a tool that enables Japan to pursue its national interest. The argument of this thesis was that autonomy for Japan was influenced by the historical and social contexts in which foreign policies are pursued, and should not be seen as a monolithic concept that is applicable equally across all states. Japan's pursuit of restricted autonomy within the boundaries of US interests demonstrates this, as does the consistency with which Japan's autonomous positions were maintained across the three examples.

Proposing that autonomy is influenced by socio-historic contexts has implications for interpretations of Japanese autonomy and Japanese foreign policy on several levels. Firstly, by arguing that Japan perceives a world based on US hegemony rather than anarchy, it challenges existing interpretations of Japanese foreign policy which suggested that Japan was either too weak to stand up to the United States and was simply jumping on the bandwagon of US hegemony, or that it can and will convert its economic power into greater military power and aspire to challenge the United States.

Through the historical analysis of the development of US hegemony and Japan's integration into it, this study has established that Japan's view of itself and the world were based on its perception of US hegemony, and that existing interpretations of Japanese foreign policy applied the characteristic of self-help too literally to Japanese state actions. Furthermore, the three examples clearly demonstrate that Japan was neither blindly subservient to US hegemony, nor that its autonomy was seeking to break away from the US-Japan alliance.

Secondly, in proposing Japan's perception of autonomy as being based within US hegemony, this thesis has attempted to go beyond explanations that treat the Japanese experience as being "abnormal" or "exotic". Both the "abnormal" and "exotic" explanations attribute Japanese state action to a particular aberrant Japanese characteristic that maintains it permanently as an "Other" in Western theories. Often Japan is treated simply as an "anomaly", because it does not fit into understandings of state behaviour as assumed under an anarchic international system. Therefore, in realist theory, if Japan was not assessed as a rising threat, it was contrarily deemed abnormal for not going beyond its current capacities as an economic power and not asserting greater international military power. Conversely, some constructivist theories recognise the influence of identity, culture and norms in state behaviour, but their conclusions regarding Japanese foreign policy behaviour are explained as being as a result of its "unique" culture of anti-militarism. While this thesis has drawn from constructivist theory, it interprets anti-militarism as being a part of Japan's functioning under a wider culture of US hegemony because anti-militarism cannot be sustained without the Japanese constitution and the US-Japan alliance. In other words, by arguing that the scope and means by which autonomy is pursued is influenced by the specific circumstances of the state and their worldview, this thesis was able to argue that Japan was "normal" to pursue autonomy in a restricted manner within US hegemony.

Implications for understanding US hegemony

By focusing on the historical and social context in which Japan conducted its post-1945 foreign policy, this thesis also has implications for the understanding of US hegemony. It refined the characteristics of US hegemony in the context of US-Japan relations through analysing the discussion on hegemony in International Relations theory in

Chapter One, and also by weaving the theoretical discussion through the historic development of US hegemony and also Japan's incorporation into it in Chapter Two.

Firstly, the analysis of hegemony established that legitimacy based upon consensus, political culture, social norms and rules was a strong defining characteristic of the hegemony in which Japan was integrated. Chapter Two demonstrated that the United States crafted its hegemony by building a broad ideational consensus internationally that allowed the United States should take leadership in world order as a dominant power. Its leadership was also supported by social institutions, norms, rules, principles and decision-making procedures shared across states internationally. [1] Consequently, the recognition of legitimacy as a part of hegemony not only focused on the power of the hegemon, but also the acceptance of the subordinate states, making it possible to analyse hegemony as a two-way reliance. The subordinate states depend on the hegemon for the benefits of hegemony and the hegemon on the subordinate states for recognition and support of authority, which fits the pattern of hegemony as seen in US-Japan relations. While legitimacy as a characteristic of US hegemony may appear unremarkable, it challenges realist accounts of hegemony which describe it more as "domination resulting from superior power".[2] However, even realist theories accept that recognition from others (or what Gilpin describes as "status") is important and, hence, it was important to explore and clarify this aspect of hegemony.

Secondly, by acknowledging legitimacy as an important part of hegemony, this thesis challenges the utility of theories of hegemony that simply focused on the viewpoint of the hegemon. In other words, this thesis argues the necessity of separating the worldviews of the hegemon and the subordinate state in order to more accurately analyse expectations of autonomy. The United States and Japan have very different views on the boundaries of autonomy in the US-Japan relationship because different perspectives formed the basis of differing threat perceptions and expectations of state behaviour. Chapter One argued that the hegemon, despite having the capacity to dominate over other states based on a preponderance of material resources and legitimacy, often had a pessimistic realist perspective worldview of anarchy amongst equal states, while the lesser states, in this case Japan, saw itself as being deeply integrated into US hegemony.

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1 Reus-Smit, *American Power and World Order*, p. 43.

2 Harries, *Benign or Imperial?* pp. 3–4.

The three examples support this idea that Japanese foreign policy behaviour was not solely about how Japan perceived and carried out autonomous policies, but also a matter of how the hegemon perceived Japanese actions. The United States did not view Japanese autonomous policy on Iran as being politically significant enough to threaten US influence or interests in the region. Therefore, despite Japan's relations with Iran being a strong example of *dokuji gaikō*, it was not perceived as being a policy that went against the US-Japan alliance. The case of the Asian Monetary Fund demonstrates that, while Japan attempted to take leadership on regional financial issues, the United States perceived Japan as a genuine threat to its position of authority in the region. The unenthusiastic support of the United States for Japan's relations with the DPRK has also caused Japan to place sanctions on North Korea and concede to US pressure since the Second World War. Therefore, US perceptions and interests in particular influence the successful or unsuccessful pursuit of Japanese autonomy, and not simply how Japan views the notion itself.

Thirdly, the usage of Kang's theory in addition to hegemony based on legitimacy imparted significant insights into the perspective of lesser states in unequal power relations, while at the same time also explaining that greater autonomy of states under a central power can potentially exist. When the leadership of the central power is accepted and subordinate states accept their place in the "pecking order", there is greater scope for stability and co-operation. In other words, the characteristics of a hierarchical international system are formal inequality of power, but informal equity that recognises "substantial autonomy and freedom among the lesser states".[3] Autonomy under hegemony may seem contradictory, but it is possible when the assumptions of rationalist theories that assume the equality of states and its consequent ability to translate this into rational autonomous action are dispelled. Autonomy can therefore be sustained when hegemony is thought of as a system closer to Kang's theory of hierarchy.

Implications for International Relations Theory

The implications of this thesis for the broader analysis of Japanese foreign policy in International Relations are twofold. Firstly, this thesis contributed to International Relations by focusing on autonomy as a concept worthy of study in its own right. Autonomy was often given only a token reference in International Relations theory, and

[3] Kang, "Hierarchy and Stability", p. 166.

then forgotten in the discussion as autonomy often merged into notions such as sovereignty and state independence. From its attention to autonomy, this study was able to separate autonomy from sovereignty, and identify the ways in which the two often became entangled.

Secondly, it became apparent that the difficulties in explaining Japanese state behaviour and autonomy occurred due to biases hidden in rationalist theories. The assumption that humans and states will act in self-interest in an environment free of constraints is derived from West-centric views of human nature that evolved to overturn the Christian view of human society in the beginnings of modern European social science.[4] The concept of anarchy in International Relations and state behaviour in this context rests on the absorption of these Western traditions of human nature, which was touched upon in Chapter One. The concepts that are consequently drawn from theories that take anarchy and rational choice as their theoretical foundation largely ignore cultural diversity in the international experience of statehood and state autonomy, as was explored in the discussion on Japanese political philosophies of Chapter Three. Because it ignored the influence of socially, historically and culturally specific contexts, rationalist theory has tended to be conceptually West-centric and therefore struggles to explain phenomena outside the Western experience, of which Japan is no exception. The findings of this thesis demonstrated that stagnant notions of autonomy that can be applied consistently to all states do not exist, given the socio-historical and political contexts of individual states, and the uneven power distributions caused by each particular relationship. Thus, the idea of a circumstance specific explanation of autonomy can potentially lead to more culturally nuanced analyses of autonomy across a greater cross-section of states.

Implications for Further Studies

As a final point, there are three areas of possible further research that emerge from this study. Firstly, Japan's relations with Iran, the AMF proposal and Japan's relations with

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4 Peter Hamilton, "The Enlightenment and the Birth of Social Sciences" in Stuart Hall and Bram Gieben (eds.), *Formations of Modernity*, Cambridge, Polity Press, 1992, p. 36. A universal, secular understanding of human nature was developed for a more scientific conception of the world and, thus, the concept of human nature under anarchy developed through a mixture of social contraction and early British anthropology. At the same time, this scientific and universal understanding of human nature was pitted against the "discovery" of "primitive societies" in America. Also see Beate Jahn, *The Cultural Construction of International Relations: The Invention of the State of Nature*, New York, Palgrave, 2000, p. 109.

North Korea are all ongoing policy areas in Japanese foreign policy, which means that they will continue to unfold under the pressures of US interests. The development of the three examples therefore would be worthy of further study in their own right. It goes without saying that it would be extremely interesting to see whether Japan gives in to US pressure on its development of the Azadegan oil field, particularly if tensions between the United States and Iran escalate. Similarly, given the DPRK's launch of seven missiles into the Sea of Japan in July 2006 and recent threats to conduct nuclear explosive tests, it would be worthy to investigate whether Japan continues its traditional position of engagement, or instead adopts a more hard-line position which is closer to that of the United States. The continuing development of the East Asian Community may provide Japan with yet another opportunity to propose an AMF in the near future. To do this, it must face the challenge of asserting leadership and keeping the United States engaged in Asia, whilst also maintaining good relations with China. In relation to the EAC and the AMF, it would also be interesting to follow how Japan navigates its increasingly strong economic but deteriorating political relations within the context of the US-Japan alliance. Therefore, the US position in the "War on Terror", relations with Iran and the DPRK and US attitudes towards China are increasingly crucial elements with regard to continued analysis of the three examples.

Secondly, a context-specific notion of autonomy can potentially be further applied in International Relations, particularly in other relationships of unequal power. A comparison of autonomy as exercised in Japan, and also in states such South Korea and Australia, would be an excellent way to investigate other ways in which states have been integrated into US hegemony, and the ways in which the United States exerts restrictions and boundaries in their foreign policies. Furthermore, in this context, it would be particularly interesting to investigate other philosophical perspectives of modern statehood and independence, particularly in non-Western states, and how these affect contemporary state identity and interests.

Finally, a pressing question with regard to Japanese autonomy is how it might develop or alter if the nature of US hegemony changes in the near future. In other words, this question relates to the international concerns over US unilateralism, and how this will affect the legitimacy on which the United States bases its hegemony. It was expected that the Japanese SDF would come to the support of the United States in the strikes on Afghanistan and Operation *Iraqi Freedom*, even when the missions were not

sanctioned by the United Nations. No doubt the critical subject on the minds of Japanese policymakers is how to continue Japan's association with the United States should the latter's unilateralist position become more aggressive, and whether Japanese autonomy will become more restricted or enabled as a result. As scholars begin to argue that the legitimacy of the United States is in decline internationally[5] and discussions over Constitutional reform begin in Japan, an investigation of the Japanese government perceptions of US legitimacy, the future direction of US hegemony and Japan's potential roles within it would be a challenging but fascinating future task.

5 Reus-Smit, "International Crisis of Legitimacy", forthcoming.

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